

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

001

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-79787
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator MSC Exploration L. P.		7. If Unit or CA Agreement, Name and No. N/A
3a. Address 16800 Imperial Valley Dr., #380 Houston, TX 77060		8. Lease Name and Well No. Federal MSC 26-1
3b. Phone No. (include area code) (281) 931-8933		9. API Well No. 43-019-31407
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 2240' FSL & 1340' FWL <i>604735X 38.95598</i> At proposed prod. zone Same <i>4312378Y -109.79127</i>		10. Field and Pool, or Exploratory Wildcat
11. Sec., T., R., M., or Blk. and Survey or Area 26-21s-19e SLM		12. County or Parish Grand
14. Distance in miles and direction from nearest town or post office* 2 air miles NE of Crescent Junction, UT		13. State UT
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) >175'	16. No. of Acres in lease 1,236.80	17. Spacing Unit dedicated to this well NESW Sec. 26 (= 40 acres)
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. N/A	19. Proposed Depth 7,000'	20. BLM/BIA Bond No. on file BLM state wide (UTB000113)
21. Elevations (Show whether DF, KDB, RT, GL, etc.) GL: 4,916'	22. Approximate date work will start* Sept. 15, 2004	23. Estimated duration 6 weeks

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- | | |
|---|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

Comments

*and 1,340' to closest lease line not planned to be part of communitized area

RECEIVED

JUL 19 2004

DIV. OF OIL, GAS & MINING

Federal Approval of this
Action is Necessary

cc: BLM, Stanley, UDOGM

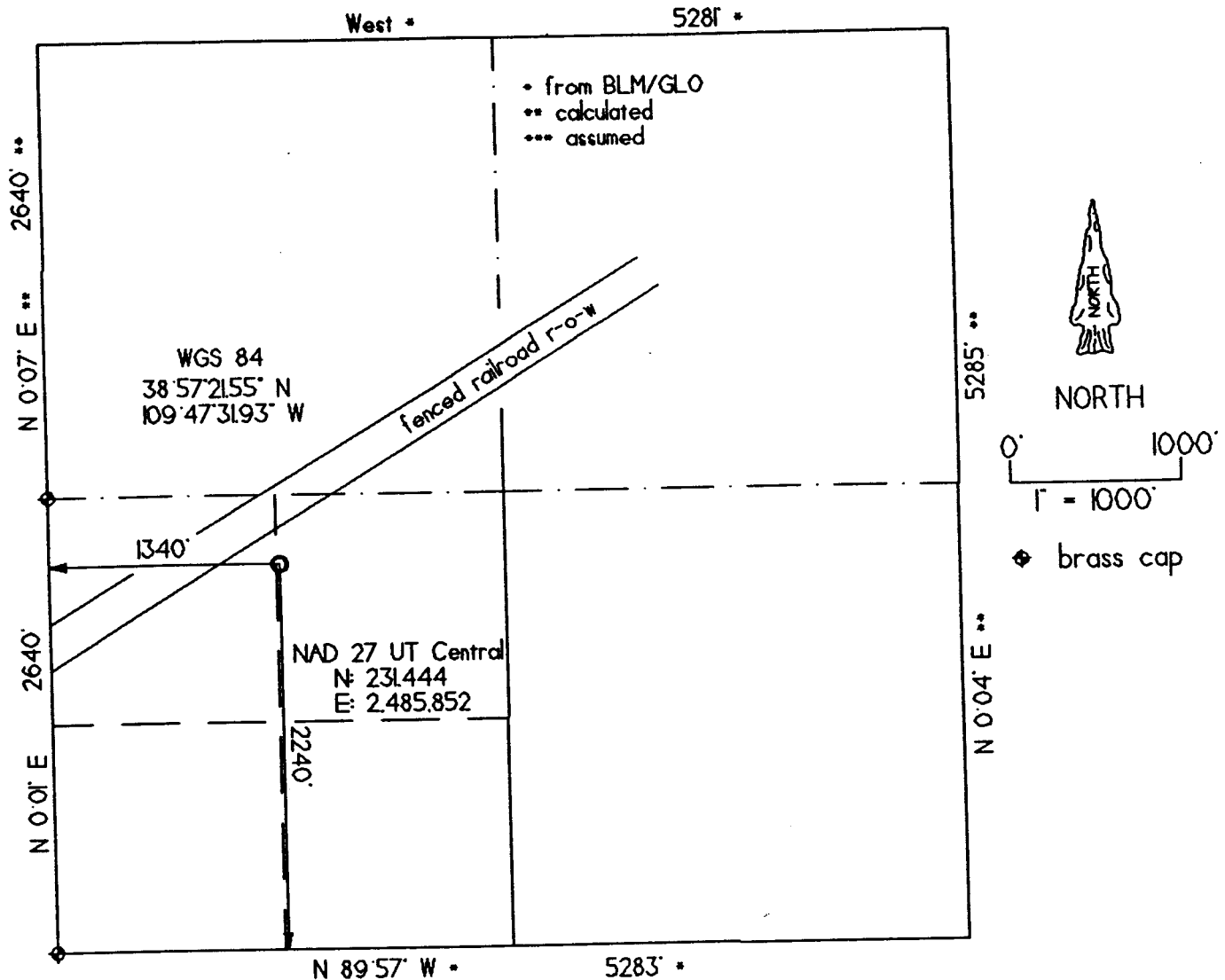
25. Signature <i>Brian Wood</i>	Name (Printed/Typed) Brian Wood	Date 7-2-04
Title Consultant	Phone: 505 466-8120	FAX: 505 466-9682
Approved by (Signature) <i>Bradley G. Hill</i>	Name (Printed/Typed) BRADLEY G. HILL	Date 08-18-04
Title ENVIRONMENTAL SCIENTIST III	Office	

Application approval does not warrant or certify the the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

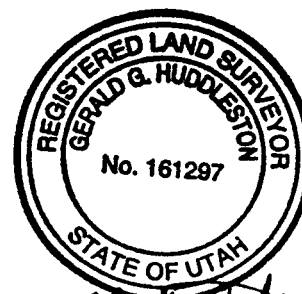
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Well Location Plat



Well Location Description

MSC EXPLORATION, L.P.
 FEDERAL MSC 26 - 1
 2240' FSL & 1340' FWL
 Section 26, T.21 S., R.19 E., SLM
 Grand County, UT
 4916' grd. el. (from GPS)



04/21/04

Gerald G. Huddleston
 Gerald G. Huddleston, LS

The above is true and correct to my knowledge and belief.

HUDDLESTON LAND SURVEYING - BOX KK - CORTEZ, CO - (970) 565 -3330

APD RECEIVED: 07/19/2004

API NO. ASSIGNED: 43-019-31407

WELL NAME: FEDERAL MSC 26-1

OPERATOR: MSC EXPLORATION, LP (N2595)

CONTACT: BRIAN WOOD

PHONE NUMBER: 505-466-8120

PROPOSED LOCATION:

NESW 26 210S 190E

SURFACE: 2240 FSL 1340 FWL

BOTTOM: 2240 FSL 1340 FWL

GRAND

WILDCAT (1)

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-79787

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: WINGT

COALBED METHANE WELL? NO

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LATITUDE: 38.95598

LONGITUDE: 109.79127

RECEIVED AND/OR REVIEWED:

☒ Plat☒ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. UTB000113)☒ Potash (Y/N)☒ Oil Shale 190-5 (B) or 190-3 or 190-13☒ Water Permit
(No. 92-180)☒ RDCC Review (Y/N)
(Date: _____)☒ Fee Surf Agreement (Y/N)

LOCATION AND SITING:

 R649-2-3.

Unit _____

 R649-3-2. GeneralSiting: 460 From Qtr/Qtr & 920' Between Wells☒ R649-3-3. Exception Drilling Unit

Board Cause No: _____

Eff Date: _____

Siting: _____

 R649-3-11. Directional Drill

COMMENTS: _____

STIPULATIONS: _____

1- Federal Approval
2- Spacing Strip

T21S R19E

22

23

24

27

FEDERAL MSC 26-1

26

25

◇ CRESCENT OIL SYNDICATE 1

STATE MSC 35-1

MCCARTHY 1

34

35

36

T22S R19E

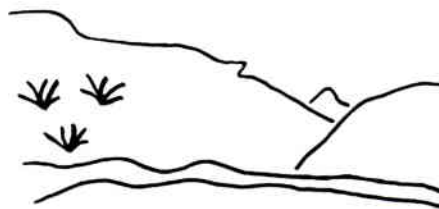
OPERATOR: MSC EXPLORATION LP (N2595)

SEC. 26 T.21S R.19E

FIELD: WILDCAT (001)

COUNTY: GRAND

SPACING: R649-3-3 / EXCEPTION LOCATION



Utah Oil Gas and Mining

Wells

- ✕ GAS INJECTION
- ✕ GAS STORAGE
- ✕ LOCATION ABANDONED
- ⊕ NEW LOCATION
- ◇ PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- ✕ SHUT-IN GAS
- ✕ SHUT-IN OIL
- ✕ TEMP. ABANDONED
- ✕ TEST WELL
- ⊕ WATER INJECTION
- ⊕ WATER SUPPLY
- ⊕ WATER DISPOSAL

Units.shp

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Fields.shp

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED



PREPARED BY: DIANA WHITNEY
DATE: 20-JULY-2004

August 12, 2004

Diana Whitney
Utah Div. of Oil, Gas, & Mining
P. O. Box 145801
Salt Lake City, Ut. 84114-5801

RECEIVED

AUG 18 2004

DIV. OF OIL, GAS & MINING

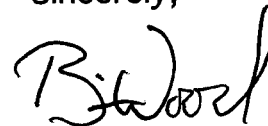
Dear Diana,

On behalf of MSC Exploration L. P., I am applying for approval of an exception location for their Federal MSC 26-1 wildcat gas well in Section 26, T. 21 S., R. 19 E., Grand County. It is 60' too far north and 440' too far west. I am requesting an exception because of geology and land use. The original location, which was based on seismic, overlapped a railroad. The well was then moved to miss the railroad.

The well is staked at 2240' FSL & 1340' FWL on a 1,236.80 acre BLM lease. MSC is requesting permission to drill at 2240' FSL & 1340' FWL 26-21s-19e. This is the only oil or gas well, existing or planned, in the quarter-quarter. Except for a P & A well 3/4 mile east, there are no other wells of any type within a 1 mile radius. Closest lease line is \approx 175' north. That railroad lease will be communitized with MSC's BLM lease. Thus, the closest lease not part of the communitized area is 1,340' west. MSC is or will be owner of all drilling units within a minimum 1,340' radius of the proposed exception. Indeed, all 8 offset quarter-quarters are part of the same MSC lease or communitized area. The drilling units (NWSW & S2NW4 Sec. 26) toward which the well encroaches are part of the same MSC lease or communitized area.

Please keep this well **"CONFIDENTIAL"**.

Sincerely,



Brian Wood

cc: Faust

MSC Exploration L. P.
Federal MSC 26-1
2240' FSL & 1340' FWL
Sec. 26, T. 21 S., R. 19 E.
Grand County, Utah

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Drilling Program

1. FORMATION TOPS

The estimated tops of important geologic markers are:

<u>Formation Name</u>	<u>GL Depth</u>	<u>KB Depth</u>	<u>Elevation</u>
Mancos Shale	0'	12'	+4,916'
Dakota Sandstone	1,946'	1,958'	+2,970'
Morrison	2,391'	2,403'	+2,525'
Moab Tongue	2,786'	2,798'	+2,130'
Wingate Ss	3,311'	3,323'	+1,605'
White Rim Sandstone	5,886'	5,898'	-970'
Base White Rim	6,486'	6,498'	-1,570'
Total Depth (TD)*	7,000'	7,012'	-2,084'

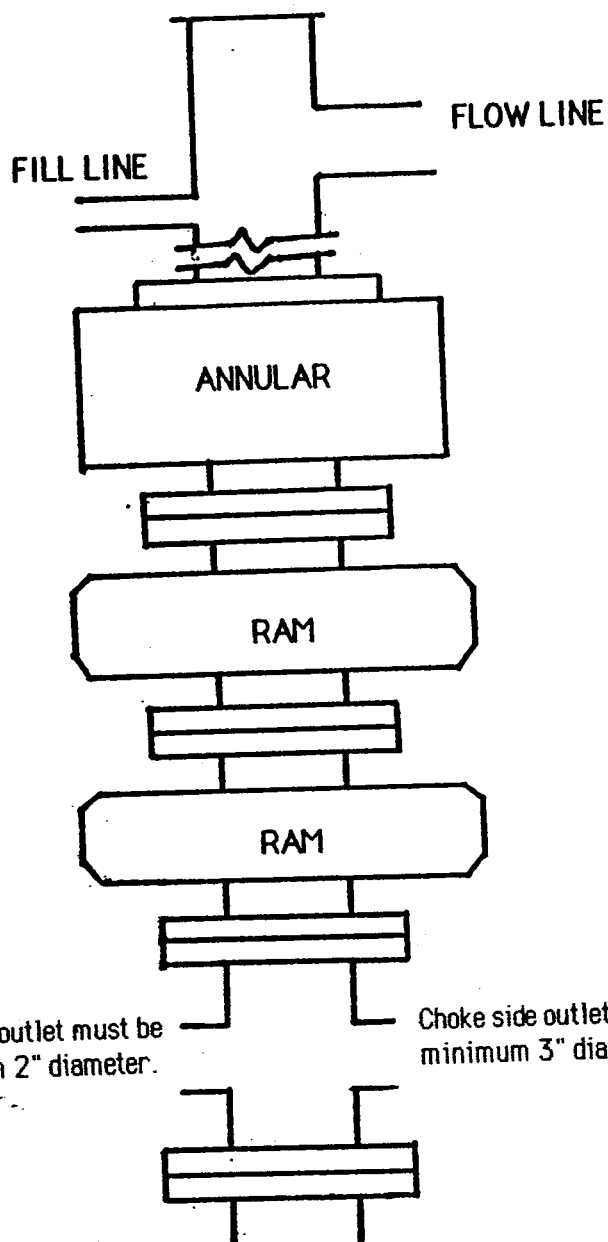
* all elevations reflect the proposed graded ground level of 4,916'

2. NOTABLE ZONES

Oil and gas are possible in the Dakota, Moab Tongue, Wingate, and White Rim. Fresh water may be found in the Wingate. Oil and gas shows which appear to the well site geologist to be commercial will be tested. All fresh water and prospectively valuable minerals will be recorded by depth and protected with casing and cement. When possible, water flow rates will be measured, samples taken and analyzed, and the results submitted to BLM.

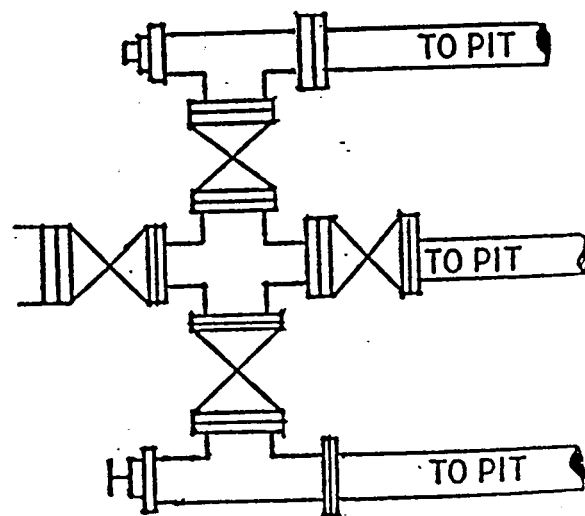
3. PRESSURE CONTROL

An 8-5/8" x 11" casing head and 3,000 psi double ram and annular preventer with a 3,000 psi choke manifold will be used. A diagram of a typical BOP is on Page 2. Actual model will not be known until bid is let.



TYPICAL BOP STACK
& CHOKE MANIFOLD

There will be at least 2 chokes and 2 choke line valves (3" minimum). The choke line will be 3" in diameter. There will be a pressure gauge on the choke manifold.



Kill line will be minimum 2" diameter and have 2 valves, one of which shall be a minimum 2" check valve.

Upper kelly cock will have handle available.
Safety valve and subs will fit all drill string connections in use.
All BOPE connections subjected to well pressure will be flanged, welded, or clamped.

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BOP systems will be consistent with API RP 53 and Onshore Order 2. Pressure tests of the surface casing and all BOP equipment potentially subject to pressure will be conducted before drilling the surface casing shoe. BOP controls will be installed prior to drilling the surface casing shoe and will remain in use until the well is completed or P & A. Ram preventers will be inspected and operated each trip (no more than once a day is necessary). Annular preventers will be inspected and operated weekly to ensure good mechanical working order. Inspections will be recorded in the drilling log and daily drilling report. Call BLM (435 259-2100) before BOP tests.

4. CASING & CEMENT

Call BLM (435 259-2100) before running casing.

<u>Hole Size</u>	<u>O. D.</u>	<u>Weight</u>	<u>Grade</u>	<u>Thread</u>	<u>Age</u>	<u>Depth</u>
12-1/4"	8-5/8" 24 #	K-55	ST & C	New	500'	
7-7/8"	5-1/2" 17 #	N-80	LT & C	New	7,000'	

All tubular goods will be new or inspected to premium specifications. Casing strings will be pressure tested to 0.22 psi/ft of casing string length or to 1,500 psi whichever is greater (not to exceed 70% of the internal yield strength of the casing), after cementing and prior to drilling out from under the casing shoe. Surface casing shoe will be set in a competent formation. Pressure integrity test of each casing shoe will be performed. Formation at the shoe will be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at TD of the well. This test shall be performed before drilling more than 20 feet of new hole. Centralizers will be installed on at least the bottom 3 joints of each casing string.

Surface casing will be cemented to the surface with \approx 413 cubic feet (353 sacks) Class G + 2% CaCl_2 + 1/4 pound per sack cello flake. Excess = 100% excess. Weight = 15.8 pounds per gallon. Yield 1.17 cubic feet per sack.

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Production casing will be cemented to $\approx 5,000'$ with ≈ 425 cubic feet (337 sacks) 50/50 poz + 3% KCl + 1/4 pound per sack cello flake + 4 pounds per sack Flow Seal + 0.5% FL-52 + 2% bentonite. Weight = 14.4 pounds per gallon. Yield = 1.26 cubic feet per sack. Excess = 20%. Wait on cement, set slips with casing in full tension. Actual volumes will be determined after reviewing logs and shows. All potentially productive zones will be covered with cement.

5. MUD PROGRAM

Will drill from surface to $\approx 500'$ with air and/or fresh water mud system. Will drill from $\approx 500'$ to $\approx 3,000'$ with air, mist. Will drill remainder of hole with aerated LSND. No chromate will be used. Sufficient mud will be on location to control well and combat lost circulation. See plan view of well site for blow pit location, which will be $\geq 100'$ from the well head. Mist will be used to control dust.

6. CORES, TESTS, & LOGS

May cut cores or may run drill stem tests depending on shows. Initial opening of drill stem test tools will be during daylight only. Mud loggers will be on site from $\approx 500'$ to TD and will collect samples every $\approx 10'$. They will have FID and chromatograph unit. Will run following logs:

GR/Dual Induction - SFL
GR/Bore Hole Compensated Sonic
GR/Neutron Density
Continuous Dip meter - FMI
Gamma Ray - Directional

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7. DOWN HOLE CONDITIONS

No abnormal temperatures or pressures or hydrogen sulfide are expected. Maximum expected bottom hole pressure will be $\approx 3,030$ psi.

8. OTHER INFORMATION

The anticipated spud date is September 15, 2004. It is expected it will take ≈ 4 weeks to drill and ≈ 2 weeks to complete the well.

Call BLM (435 259-2100) or the Utah Division of Oil, Gas, & Mining (801 538-5340) before plugging and abandoning the well.

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Surface Use Plan

1. DIRECTIONS (See Pages 12 & 13)

From the closed gas station at Crescent Junction (Exit #180 on I-70) ...
Go East 1.4 miles on paved county road 175 (weight limit = 30 tons)
Then turn right and go North 0.4 miles on a dirt road onto the proposed pad

Roads will be maintained to a standard at least equal to their present condition.

2. ROAD TO BE BUILT OR UPGRADED (See Page 13)

Dirt contractor will call BLM (435 259-2100) ≥ 48 hours before starting construction. Surface disturbance and vehicle travel will be limited to the pad and road. Any additional area needed must be approved in advance by BLM.

An 18" x 50' culvert will be installed in the north borrow ditch of the county road. The first 50' of road north from the pavement will be graveled with 4" of 4" minus pit run topped with 2" of gravel. The remainder of the dirt road will be flat bladed (to remove ruts) with a 16' wide running surface. Maximum disturbed width = 20', except at the culvert where it will be 50'. Maximum cut or fill = 1'. Maximum grade = 1%. No gate, cattle guard, or turnout is needed.

If the well is a producer, the dirt road will be upgraded to Class 3 Road Standards within 60 days of dismantling the rig. If the deadline cannot be met, BLM will be notified so temporary drainage control can be installed. Class 3 Road Standards control drainage by using topography, ditch turnouts, dips, out sloping, crowning, low water crossings, rock surfacing, and culverts. Crowning and ditching may use a 35' wide corridor.

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3. EXISTING WELLS (See Page 13)

There is one plugged and abandoned well within a mile. There are no existing water, disposal, oil, or gas wells within a mile.

4. PROPOSED PRODUCTION FACILITIES

A well head, pump, separator, dehydrator, and tank battery will be installed. All will be painted a flat tan or juniper green color within 6 months of installation. Site security rules in 43 CFR 3162.7-5 and Onshore Order 3 will be obeyed.

No gas line is planned at this time. However, if a gas line is applied for, approved, and installed; then the meter will be within 500' of the well head. The gas line will be buried from the well head to the meter and downstream until it exits the pad. Meter run will be housed or fenced. The meter will be calibrated before the first sale and quarterly thereafter. All gas production and measurement will comply with 43 CFR 3162.7, Onshore Order 5, and American Gas Association Report 3.

Tanks will be surrounded by an impermeable dike with sufficient capacity to hold 150% of the volume of the largest tank within the dike. All load lines and valves will be inside the dike. All oil production and measurement will comply with 43 CFR 3162.7 and Onshore Order 4.

Production facilities on the pad may include a lined or unlined produced water pit as allowed in Onshore Order 7. If water is produced from the well, an application in conformance with Order 7 will be submitted.

5. WATER SUPPLY

Water will be trucked from the Thompson Special Service District (right #92-180) load point northeast of the post office in Thompson Springs.

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6. CONSTRUCTION MATERIALS & METHODS (See Pages 14 & 15)

The dirt contractor will have an approved copy of the surface use plan on site.

Top \approx 3" of soil and brush will be stripped and piled east of the pad. Pit subsoil will be piled separate from the topsoil. A ditch will be cut north of the pad.

There are no plans to line the reserve pit at this time. However, if excavation reveals otherwise, the reserve pit will be lined with \geq 24 tons of commercial bentonite worked into 3:1 slopes. No liquid hydrocarbons will be discharged onto the pit, pad, or road. Should hydrocarbons escape, they will be cleaned and removed within 48 hours.

Pit will be fenced 48" high on 3 sides with 32" high woven wire topped with 2 smooth wire stands 4" and 16" above the woven wire. Steel posts will be set \approx 16.5' apart. Two stays will be used between posts. Corner posts will be \geq 6" diameter wood and anchored with dead men. The fourth side will be similarly fenced when drilling stops. Fence will be kept in good repair while the pit dries.

Gravel and pit run will be bought from a commercial source.

7. WASTE DISPOSAL

Human waste will be disposed of in chemical toilets, which will be hauled to a state approved dump station. All trash will be placed in a portable trash cage. It will be hauled to the county landfill. There will be no trash burial or burning.

8. ANCILLARY FACILITIES

There will be no air strips or camps. Camper trailers may be on location for the company man, tool pusher, and mud loggers.

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9. WELL SITE LAYOUT

See PAGES 14 and 15 for depictions of the well pad, cross section, cut and fill diagram, reserve pit, trash cage, access onto the location, parking, living facilities, and rig orientation.

10. RECLAMATION & REVEGETATION

Upon completion of drilling, the well site will be cleared of all debris, material, and junk not needed for production.

Reclamation will start when the reserve pit is dry. All areas not needed for production will be back filled, contoured to natural contours, and reserved topsoil spread. If the well is a producer, then enough topsoil will be saved to reclaim the rest of the pad. The topsoil pile and all reclaimed areas will be broadcast seeded between October 1 and February 28 with the following mix. Sown areas will be left rough and lightly harrowed (4" deep) after seeding. Maximum span between harrow or ripped furrows will be 6". Road will be narrowed, but left open for access to a railroad gate.

4 pounds per acre four wing saltbush
4 pounds per acre Indian ricegrass

11. SURFACE OWNER

All construction is on lease and on BLM surface.

12. OTHER INFORMATION

Closest first aid is the Green River Medical Center at 305 West Main in Green

MSC Exploration L. P.
Federal MSC 26-1
2240' FSL & 1340' FWL
Sec. 26, T. 21 S., R. 19 E.
Grand County, Utah

PAGE 10

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River, Utah. Its phone number is (435) 564-3434. It is a \approx 20 minute drive west.

Closest hospital is Allen Memorial Hospital at 719 West 400 North in Moab. Its phone number is (435) 259-7191. It is a \approx 30 minute drive south.

13. REPRESENTATION & CERTIFICATION

Anyone having questions concerning the APD should call:

Brian Wood, Consultant
Permits West, Inc.
37 Verano Loop
Santa Fe, NM 87508
(505) 466-8120 FAX: (505) 466-9682 Cellular: (505) 699-2276

The field representative will be:

Lynn Faust or Jack Stanley
MSC Exploration L. P.
16800 Imperial Valley Dr., Suite 380
Houston, TX 77060
(281) 931-8933 FAX (281) 931-8655 Mobile: (832) 434-9900

MSC Exploration L. P. is considered to be the operator of the Federal MSC 26-1 well in the NWSW 26-21s-19e, Lease UTU-79787, Grand County, Utah, and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands. Bond (\$25,000 statewide bond (UTB000113) on file with BLM in Salt Lake City) coverage for this well will be provided via surety consent as provided for in 43 CFR 3104.2. BLM will hold the aforementioned operator and bond liable until the provisions of 43 CFR 3106.7-2 continuing responsibility are met.

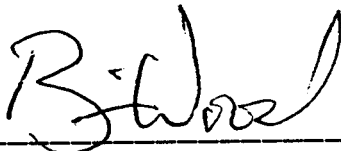
I hereby certify MSC Exploration L. P. has the necessary consents from the proper lease and unit interest owners to conduct lease operations in

MSC Exploration L. P.
Federal MSC 26-1
2240' FSL & 1340' FWL
Sec. 26, T. 21 S., R. 19 E.
Grand County, Utah

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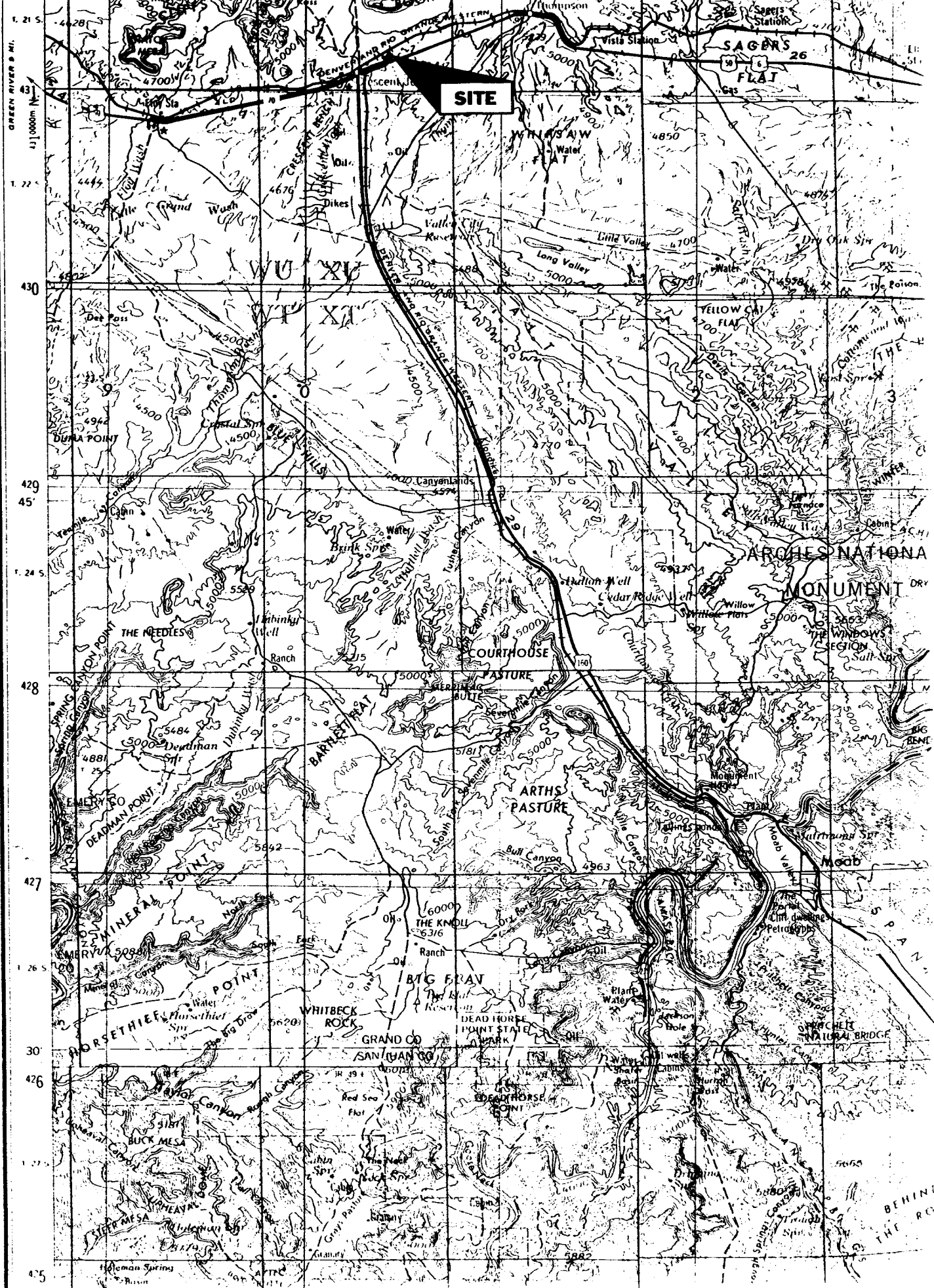
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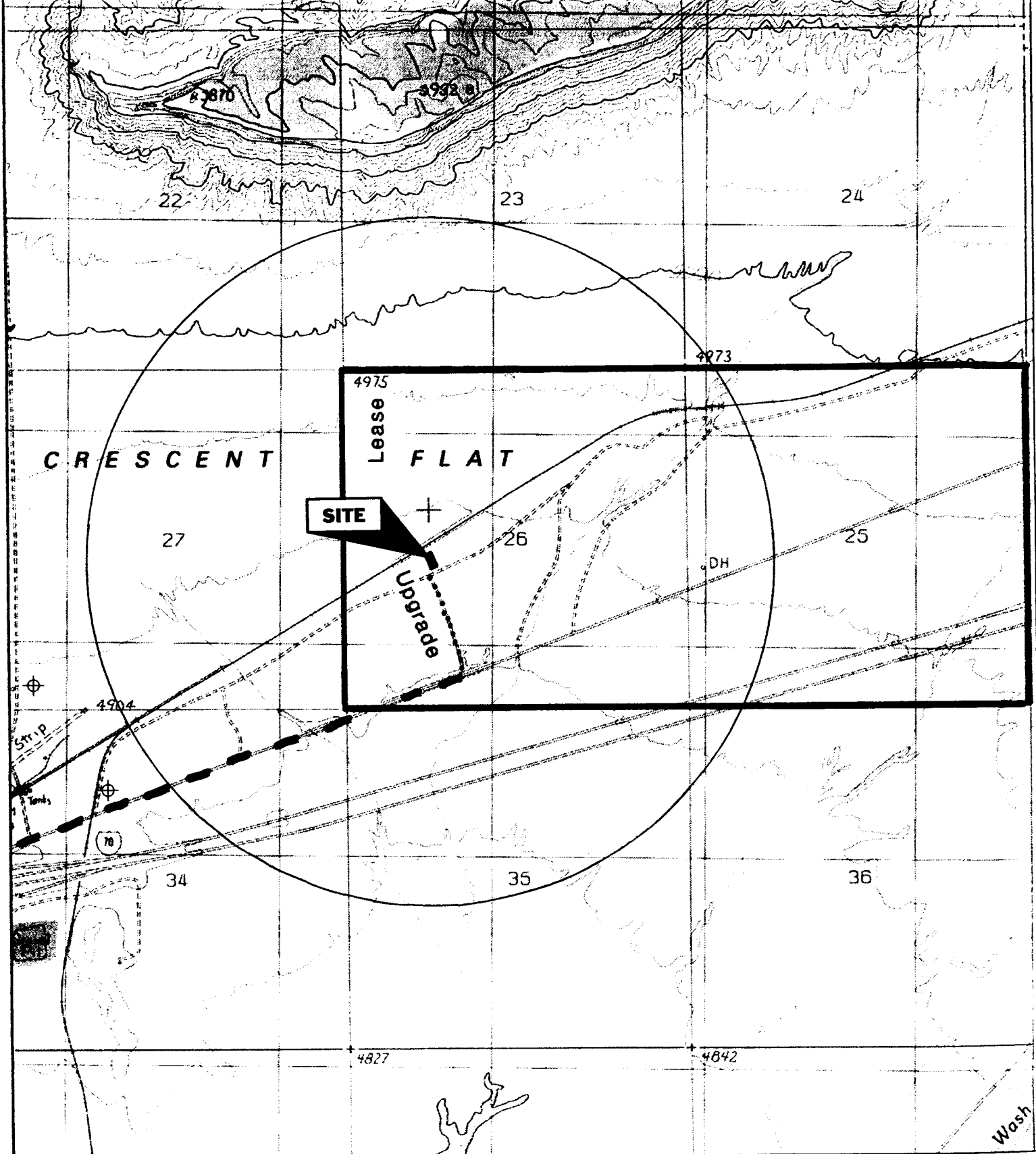
conjunction with this APD. Bond coverage *per* 43 CFR 3104 for lease activities will be provided by MSC Exploration L. P. I hereby certify I have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by MSC Exploration L. P. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U. S. C. 1001 for the filing of a false statement.



Brian Wood, Consultant

July 2, 2004





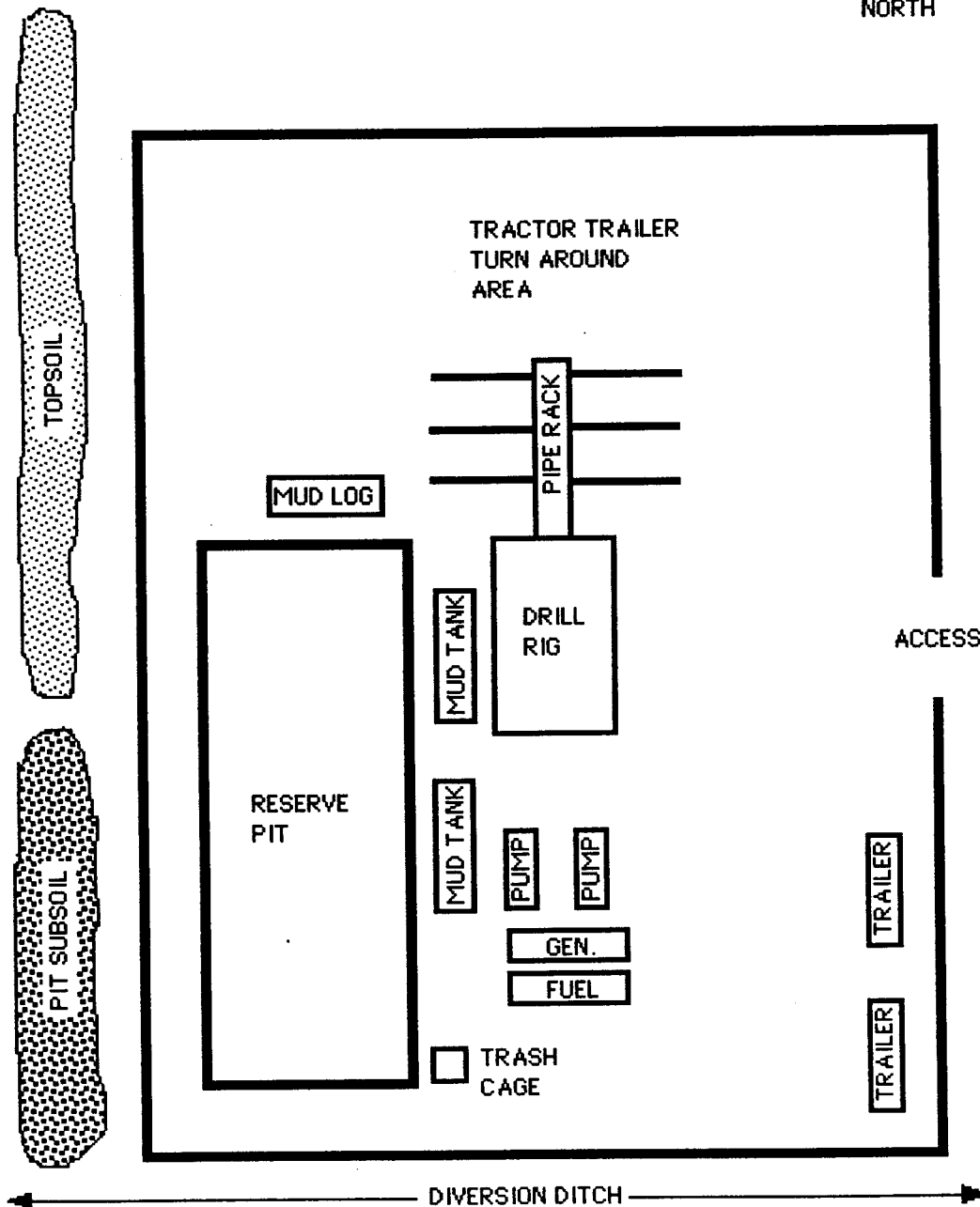
Name: CRESCENT JUNCTION
Date: 5/12/2004
Scale: 1 inch equals 2000 feet

Location: 038.9568446° N 109.7872503° W
Caption: 26, 21S-19E

1" = 50'



NORTH



front

S 42° E

two track roads



0' 50'

Scale 1" = 50'

□ set stake & lath

/// cut

||||| fill

left

right

a

a'

75'

reserve pit
10' deep

18'

C 3'

C 0'

C 1'

16'

rear

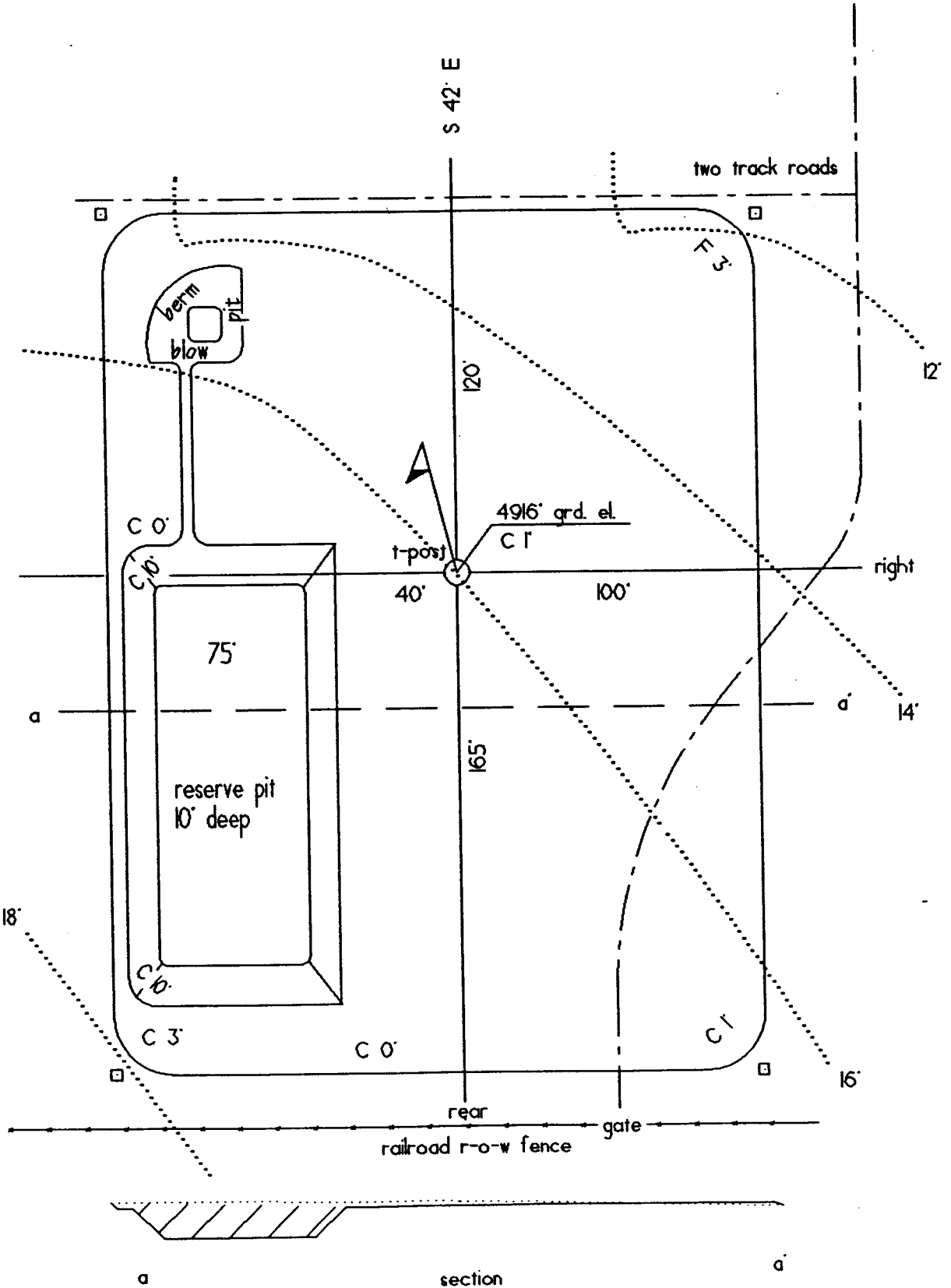
gate

railroad r-o-w fence

a

section

a'





State of Utah

Department of
Natural Resources

ROBERT L. MORGAN
Executive Director

Division of
Oil, Gas & Mining

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

August 18, 2004

MSC Exploration, L P
16800 Imperial Valley Dr., #380
Houston, TX 77060

Re: Federal MSC 26-1 Well, 2240' FSL, 1340' FWL, NE SW, Sec. 26,
T. 21 South, R. 19 East, Grand County, Utah

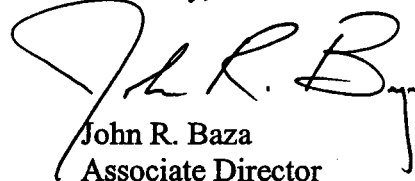
Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-019-31407.

Sincerely,



John R. Baza
Associate Director

pab
Enclosures

cc: Grand County Assessor
Bureau of Land Management, Moab District Office

Operator: MSC Exploration, L P
Well Name & Number Federal MSC 26-1
API Number: 43-019-31407
Lease: UTU-79787

Location: NE SW **Sec. 26** **T. 21 South** **R. 19 East**

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

006

APPLICATION FOR PERMIT TO DRILL OR REENTER

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
MOAB FIELD OFFICE

5. Lease Serial No.

UTU-79787

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA Agreement, Name and No.

N/A

8. Lease Name and Well No.

Federal MSC 26-1

9. API Well No.

43-019-31407

10. Field and Pool, or Exploratory

Wildcat

11. Sec., T., R., M., or Blk. and Survey or Area

26-21s-19e SLM

12. County or Parish

Grand

13. State

UT

1a. Type of Work: ☒ DRILL☐ REENTER1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other

DEPT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
☐ Single Zone ☒ Multiple Zone

2. Name of Operator
MSC Exploration L. P.3a. Address 16800 Imperial Valley Dr., #380
Houston, TX 770603b. Phone No. (include area code)
(281) 931-8933

4. Location of Well (Report location clearly and in accordance with any State requirements. *)

At surface 2240' FSL & 1340' FWL

At proposed prod. zone Same

14. Distance in miles and direction from nearest town or post office*

2 air miles NE of Crescent Junction, UT

15. Distance from proposed*
location to nearest
property or lease line, ft.
(Also to nearest drig. unit line, if any)

>175'*

16. No. of Acres in lease

1,236.80

17. Spacing Unit dedicated to this well

NESW Sec. 26 (= 40 acres)

18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft.

N/A

19. Proposed Depth

7,000'

20. BLM/BIA Bond No. on file

BLM state wide (UTB000113)

21. Elevations (Show whether DF, KDB, RT, GL, etc.)

GL: 4,916'

22. Approximate date work will start*

Sept. 15, 2004

23. Estimated duration

6 weeks

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).

4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

Comments

*and 1,340' to closest lease line not planned to be part of communitized area

cc: BLM, Stanley, UDOGM

25. Signature

B. Wood

Name (Printed/Typed)

Brian Wood

Date

7-2-04

Title

Consultant

Phone: 505 466-8120

FAX: 505 466-9682

Approved by (Signature)

Eric C. Jones

Name (Printed/Typed)

Date NOV - 2 2004

Title

Assistant Field Manager,
Division of Resources

Office

Application approval does not warrant or certify the the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

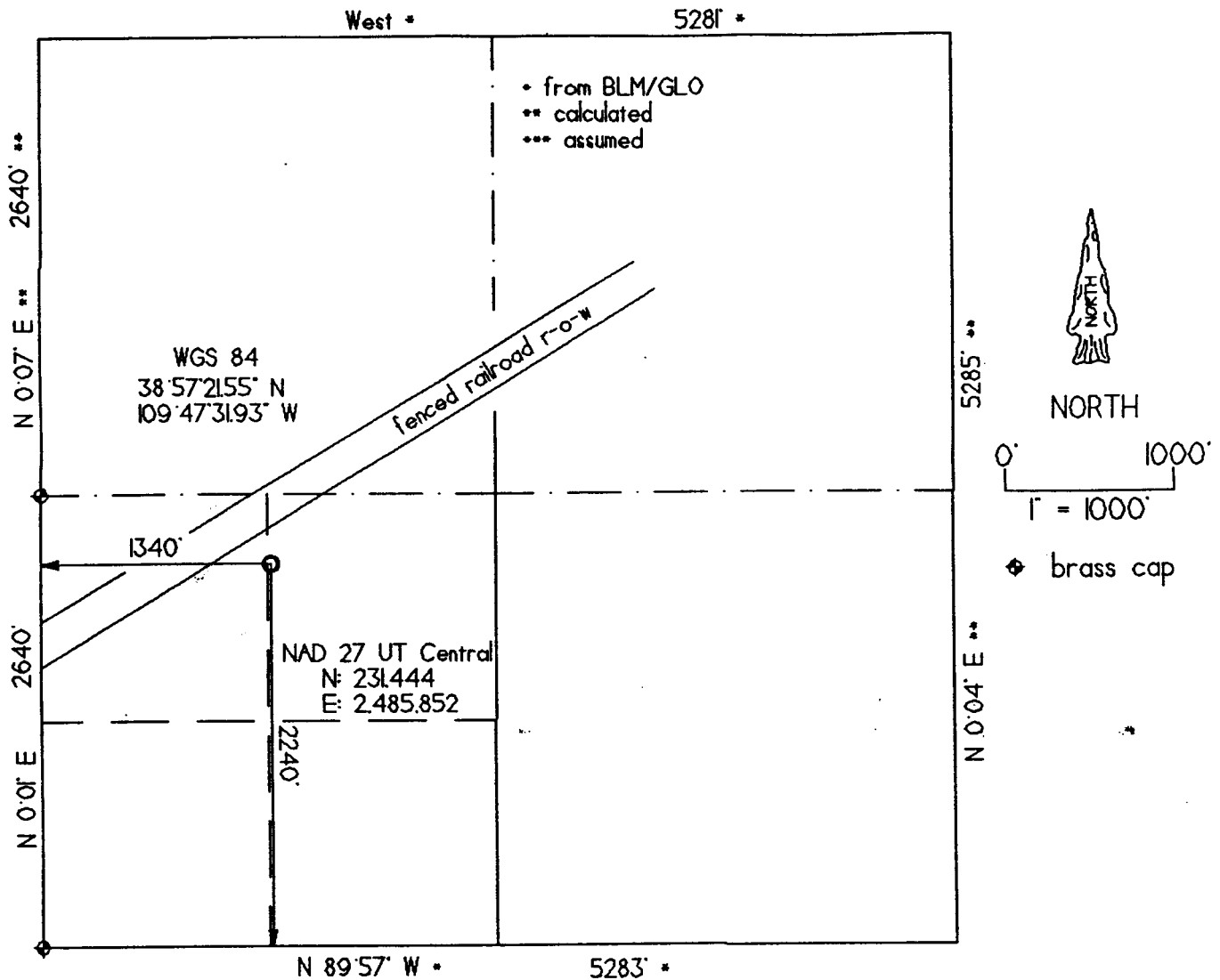
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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NOV 05 2004

DIV. OF OIL, GAS & MINING

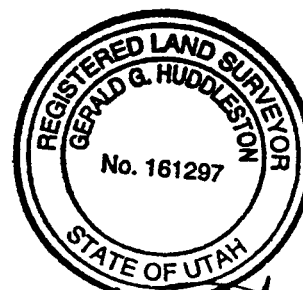
CONDITIONS OF APPROVAL ATTACHED

Well Location Plat



Well Location Description

MSC EXPLORATION, L.P.
 FEDERAL MSC 26 - 1
 2240' FSL & 1340' FWL
 Section 26, T.21 S., R.19 E., SLM
 Grand County, UT
 4916' grd. el. (from GPS)



04/21/04

Gerald G. Huddleston
 Gerald G. Huddleston, LS

The above is true and correct to my knowledge and belief.

HUDDLESTON LAND SURVEYING - BOX KK - CORTEZ, CO - (970) 565 -3330

MSC Exploration, LP
Federal MSC 26-1
Lease UTU-79787
NE/SW Section 26, T21S, R19E
Grand County, Utah

A COMPLETE COPY OF THIS PERMIT SHALL BE KEPT ON LOCATION from the beginning of site construction through well completion, and shall be available to contractors to ensure compliance.

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be advised that MSC Exploration, LP is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by UTB000113 (Principal – MSC Exploration, LP) via surety consent as provided for in 43 CFR 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43 CFR 3106.7-2 continuing responsibility are met.

This permit will be valid for a period of one year from the date of approval. After permit termination, a new application must be filed for approval.

All lease operations will be conducted in full compliance with applicable regulations (43 CFR 3100), Onshore Oil and Gas Orders, lease terms, notices to lessees, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors.

A. DRILLING PROGRAM

1. The proposed 3M BOPE is adequate for anticipated conditions. Installation, testing and operation of the system shall be in conformance with Onshore Oil and Gas Order No. 2.
2. Concurrent approval from the State of Utah, Division of Oil, Gas & Mining (DOGM) is required before conducting any surface disturbing activities.
3. When drilling with air, the requirements of Onshore Oil and Gas Order No. 2, part III, E, Special Drilling Operations, shall apply. Among the requirements in this section are:
 - Spark arresters
 - Blooie line discharge 100 feet from wellbore
 - Straight blooie line
 - Deduster equipment
 - Float valve above bit
 - Automatic igniter on the blooie line
4. When cementing the production casing, if cement does not circulate to surface, a cement bond log, or other appropriate tool for determining the top of cement, shall be run and shall be submitted to BLM.

B. SURFACE USE PLAN

1. In order to protect nesting raptors, no road/well pad construction or drilling operations will be authorized between March 1 and August 31. The limitation does not apply to maintenance and operation of producing wells. Exceptions to this limitation may be specified in writing by the Moab Field Office.
2. Dust control will be provided during construction and drilling operations by spraying fresh water on new road construction, roads being maintained, and the well pad.

C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

Building Location- Contact the Moab Field Office, Natural Resource Protection Specialist at least 48-hours prior to commencing construction of location.

Spud- The spud date will be reported to BLM 24-hours prior to spudding. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the Moab Field Office within 24-hours after spudding, regardless of whether spud was made with a dry hole digger or big rig.

Daily Drilling Reports- Daily drilling reports shall detail the progress and status of the well and shall be submitted to the Moab Field Office on a weekly basis.

Monthly Reports of Operations- In accordance with Onshore Oil and Gas Order No. 1, this well shall be reported on Minerals Management Service (MMS) Form 3160, "Monthly Report of Operations," starting the month in which operations commence and continuing each month until the well is physically plugged and abandoned. This report will be filed directly with MMS.

Sundry Notices- There will be no deviation from the proposed drilling and/or workover program without prior approval. "Sundry Notices and Reports on Wells" (Form 3160-5) will be filed with the Moab Field Office for approval of all changes of plans and subsequent operations in accordance with 43 CFR 3162.3-2. Safe drilling and operating practices must be observed.

Drilling Suspensions- Operations authorized by this permit shall not be suspended for more than 30 days without prior approval of the Moab Field Office. All conditions of this approval shall be applicable during any operations conducted with a replacement rig.

Undesirable Events- Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be immediately reported to the BLM in accordance with requirements of NTL-3A.

Cultural Resources- If cultural resources are discovered during construction, work that might disturb the resources is to stop, and the Price Field Office is to be notified.

First Production- Should the well be successfully completed for production, the Moab Field Office will be notified when the well is placed in producing status. Such notification may be made by phone, but must be followed by a sundry notice or letter not later than five business days following the date on which the well is placed into production.

A first production conference will be scheduled as soon as the productivity of the well is apparent. This conference should be coordinated through the Moab Field Office. The Moab Field Office shall be notified prior to the first sale.

Well Completion Report- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted to the Moab Field Office not later than thirty-days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. When requested, samples (cuttings and/or samples) will be submitted to the Moab Field Office.

Venting/Flaring of Gas- Gas produced from this well may not be vented/flared beyond an initial, authorized test period of 30 days or 50 MMcf, whichever first occurs, without the prior, written approval of the Moab Field Office. Should gas be vented or flared without approval beyond the authorized test period, the well may be ordered shut-in until the gas can be captured or approval to continue the venting/flaring as uneconomic is granted. In such case, compensation to the lessor (BLM) shall be required for that portion of the gas that is vented/flared without approval and which is determined to have been avoidably lost.

Produced Water- An application for approval of a permanent disposal method and location will be submitted to the Moab Field Office for approval pursuant to Onshore Oil and Gas Order No.7.

Off-Lease Measurement, Storage, Commingling- Prior approval must be obtained from the Moab Field Office for off-lease measurement, off-lease storage and/or commingling (either down-hole or at the surface).

Plugging and Abandonment- If the well is completed as a dry hole, plugging instructions must be obtained from the Moab Field Office prior to initiating plugging operations.

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the Moab Field Office within thirty-days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Price Field Office or the appropriate surface managing agency.

TABLE 1

NOTIFICATIONS

Notify Rich McClure (435-259-2127) or Jack Johnson (435-259-2129) of the BLM Moab Field Office for the following:

2 days prior to commencement of dirt work, construction and reclamation (McClure);

1 day prior to spudding (Johnson);

50 feet prior to reaching the surface casing setting depth (Johnson);

3 hours prior to testing BOPs (Johnson).

If the people at the above numbers cannot be reached, notify the Moab Field Office at 435-259-2100. If unsuccessful, contact the person listed below.

Well abandonment operations require 24 hour advance notice and prior approval. In the case of newly drilled dry holes, verbal approval can be obtained by calling the Moab Field Office at 435-259-2100. If approval is needed after work hours, you may contact the following:

Eric Jones, Petroleum Engineer

Office: 435-259-2117

Home: 435-259-2214

MSC EXPLORATION, L.P.
16800 IMPERIAL VALLEY DR., SUITE 380
HOUSTON, TEXAS 77060
PHONE: 281-931-8933 FAX: 281-931-8655

FACSIMILE TRANSMITTAL SHEET

TO:	FROM:
<i>Mark Jones</i>	<i>L. Faust</i>
COMPANY:	DATE:
	<i>4-8-05</i>
FAX NUMBER:	TOTAL NO. OF PAGES INCLUDING COVER:
PHONE NUMBER:	SENDER'S REFERENCE NUMBER:
RE:	YOUR REFERENCE NUMBER:

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APR 08 2005

CONFIDENTIAL

FORM 9

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:

UTU-79787

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

N/A

7. UNIT or CO AGREEMENT NAME:

N/A

8. WELL NAME and NUMBER:

Federal MSC 26-1

9. API NUMBER:

43-019-31407

10. FIELD AND POOL, OR WILDCAT:

Wildcat

1. TYPE OF WELL

OIL WELL ☐GAS WELL ☒

OTHER

2. NAME OF OPERATOR:

MSC Exploration, LP

3. ADDRESS OF OPERATOR:

16800 Inman Valley Dr. Ste 250 Houston TX 77060

PHONE NUMBER:

281-931-8933

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2240' FSL + 1246 FWL

COUNTY:

GRAND

QTR/QR, SECTION, TOWNSHIP, RANGE, MERIDIAN: N35W 26 21S 19E 35m

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON	
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR	
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE	
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input checked="" type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL	
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF	
	<input type="checkbox"/> COMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____	
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION		

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Set CIBP @ 6390' Dump 30' cement on top.

NAME (PLEASE PRINT) LYNN FAUST

TITLE Admin

SIGNATURE

L Faust

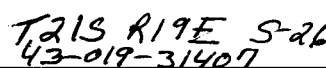
DATE

4-8-05

(This space for State use only)

(5/2000)

(See Instructions on Reverse Side)



IND. OF OIL, GAS & MINING



Current Weather	BLM Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS
Wind:	<input type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator		RKB 15 ft
Seas:	Problem? <input type="checkbox"/> Yes		Contractor	Next BOP Test Date	Water Depth ft
Skv:	<input type="checkbox"/> No	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service		RKB-CHF ft

[illegible]

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD															
BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade				
											Tooth	Bearing	Gage		
Bit Remarks:					Cum. ROT. Hrs	PU Wt		SO Wt		ROT Wt		Torque			
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures			
								DC	DP			Pump #1	Pump #2	Pump #3	
1	9 x 6	3.15								1/4					
2	9 x 6	3.15								1/2					
										3/4					

[illegible]

MUD DATA															
WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	P/Mf
PIT															
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer			Mud Company			
PIT					#1	#2	Desand	Cent.							
					#3	#4	Desilt	Mud Cl	Daily Cost			Cumulative Cost			

DIRECTIONAL SURVEYS							
MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY				Boats:		Supply Boat Name:		Status:	
TIME		HOUR	Time Code	Crew Boat Name:	Status:				
FROM	TO								
0600	0600			Clearing location and digging reserve pit.	Time Summary				
					Activity	Daily	Cum.		
					1. Mob/DeMob				
					2. Cement				
					3. Circulate				
					4. Directional Work				
					5. Drilling				
					6. Drive Pipe				
					7. Fishing				
					8. OH Logging				
					9. Lost Circ.				
					10. Drill Cmt./LOT				
					11. N.U./N.D.				
					12. P.U./L.D. BHA				
					13. P.U./L.D. Pipe				
					14. R/U; R/D				
					15. Rig Repair				
					16. Run Casing				
					17. Service Rig				
					18. Sidetrack Op.				
					19. Stuck Pipe				
					20. Survey				
					21. Trips				
					22. Tst. BOPs				
					23. UR/HO				
					24. W.O.W.				
					25. Wash & Ream				
					26. Well Control				
					27. WOC				
					28. Other				
Total Hours					Total				
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost		\$94,241	
Daily		Daily	Gals	Cement:	sx	Daily Cost	\$12,885		
Cum.		Cum.	Gals	Barite:	sx	Cum. Cost	\$107,126		

MAY 25 2005

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MSC Exploration Daily Drilling Report

[illegible]

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MSC Exploration Daily Drilling Report

<u>Block, Lease and Well No.</u>				<u>Contract Rig</u>	<u>DOL</u>	<u>DFS</u>	<u>Date on Location</u>	<u>Spud Date</u>	<u>Report Date</u>
E. Crested Junction - Federal MSC #26-1				Union #7	6		11/3/2004		Nov 9, 2004
<u>MD</u>	<u>TVD</u>	<u>Footage</u>	<u>APE No.</u>	<u>APE Amount</u>	<u>Auth. TD.</u>	<u>Company Representative</u>			
37	37			\$958,000		8,700'	Roger Knight		
<u>Present Operation</u>				<u>Rig Phone:</u>	435-220-0999		<u>Toolpusher</u>		
Rigging up Union Rig #7				<u>Rig Fax:</u>	435-220-0999		Conrad tenney		

Current Weather	BLM Visit		NPDES			People on Loc.:		Last BOP Test Date	RIG ELEVATIONS	
Wind:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<u>LC50 Sample Date</u>			Operator			RKB	15 ft
Seas:	Problem?	<input type="checkbox"/> Yes				Contractor		Next BOP Test Date	Water Depth	ft
Skv:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Pass?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	Service			RKB-CHF	ft

CASING RECORD

[illegible]

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD														
BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
<u>Bit Remarks:</u>					Cum. ROT. Hrs	PU Wt		SO Wt		ROT Wt		Torque		
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP			Pump #1	Pump #2	Pump #3
1	9 x 6	3.15								1/2				
2	9 x 6	3.15								3/4				

BHA

[illegible]

MUD DATA

[illegible]

DIRECTIONAL SURVEYS

DIRECTIONAL SURVEYS							
MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

OPERATIONS SUMMARY				Boats:		Supply Boat Name:		Status:	
TIME		HOUR	Time Code	Crew Boat Name:		Status:			
FROM	TO					Activity	Daily	Cum.	
0600	0800	2.0	28	WO Crew to cement Conductor					
0800	0830	0.5	2	Cement conductor					
0830	0900	0.5	28	Set cellar ring. Level location	1. Mob/DeMob	8	8		
0900	1700	8.0	1	Move in rig	2. Cement	0.5	0.5		
1700	0600	13.0	14	Rigging up. Welded on riser.	3. Circulate				
					4. Directional Work				
					5. Drilling			4	
					6. Drive Pipe				
				BLM, Jack Johnson notified of rig spud 11/09/04.	7. Fishing				
				Jack Johnson @ rig for information visit @ 1730 hrs	8. OH Logging				
					9. Lost Circ.				
					10. Drill Cmt./LOT				
					11. N.U./N.D.				
					12. P.U./L.D. BHA				
					13. P.U./L.D. Pipe				
					14. R/U; R/D	13	13		
					15. Rig Repair				
					16. Run Casing				
					17. Service Rig				
					18. Sidetrack Op.				
					19. Stuck Pipe				
					20. Survey				
					21. Trips				
					22. Tst. BOPs				
					23. UR/HO				
					24. W.O.W.				
					25. Wash & Ream				
					26. Well Control				
					27. WOC				
					28. Other	2.5	29.5		
					Total	24	55		
Total Hours		24.0							
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost		\$157,666	
Daily	Daily	200	Gals	Cement:	sx	Daily Cost	\$13,505		
Cum.	Cum.	300	Gals	Barite:	sx	Cum. Cost	\$171,171		

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Cost \$189.65

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MSC Exploration Daily Drilling Report

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Union #7		DOL 8	DFS 1	Date on Location 11/3/2004	Spud Date Nov 10, 2004	Report Date Nov 11, 2004
MD 542	TVD 542	Footage 310	AFE No.	AFE Amount \$958,000		Auth. TD. 8,700'		Company Representative Roger Knight		
Present Operation Waiting on cement				Rig Phone: Rig Fax:		435-220-0999 435-220-0999			Toolpusher Chris Chapman	

Current Weather		BLM Visit		NPDES		People on Loc.:		Last BOP Test Date		RIG ELEVATIONS		
Wind:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			LC50 Sample Date		Operator				RKB	15 ft	
Seas:	Problem? <input type="checkbox"/> Yes					Contractor		Next BOP Test Date		Water Depth ft		
Sky:	<input checked="" type="checkbox"/> No	Pass?	<input type="checkbox"/> Yes <input type="checkbox"/> No			Service				RKB-CHF ft		

CASING RECORD														
Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD TVD		Liner Top MD TVD		MW when Run	Pres	LOT EMW	Leakoff?	
Conductor	16"		LP		1	37'	37'			Air				
Surface	9 5/8"	32.3	H40	STC	12	534'	534'			Air				

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD														
BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade Tooth Bearing Gage			
1	12 3/8	Marquis C6236	1101		37'	503'	11 1/2	2/4	40	43.7				
Bit Remarks:					Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt			Torque			
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV DC DP		Speed	SPM	Slow Pump Pressures Pump #1 Pump #2 Pump #3		
1	9 x 6	3.15								1/2				
2	9 x 6	3.15								3/4				

BHA														
Length:		Description:												

MUD DATA																
	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT	Air Drilling															
	Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer			Mud Company			
PIT						#1	#2	Desand	Cent.							
						#3	#4	Desilt	Mud Cl	Daily Cost		Cumulative Cost				

DIRECTIONAL SURVEYS															
MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE								

OPERATIONS SUMMARY														
TIME		Time Code	Boats:	Supply Boat Name:		Status:								
FROM	TO			Crew Boat Name:		Status:								
0600	1130	5.5	5	Drill 12 3/8" hole 232' to 520'			Time Summary							
1130	1330	2.0	3	Cir and condition hole. WOO. Changed surface pipe to 9 5/8"			Activity	Daily	Cum.					
1330	1430	1.0	5	Drill 12 3/8" hole 520' to 540'			1. Mob/DeMob		8					
1430	1630	2.0	3	Circulate and condition hole. Unload 9 5/8" pipe. Load 8 5/8" pipe			2. Cement	2	2.5					
1630	1800	1.5	21	TOOH w/ hammr. L/D hammer and bit			3. Circulate	4	4					
1800	2300	5.0	28	WO casing crew			4. Directional Work							
2300	0100	2.0	16	RU casing crew. RIH w/ 12 jts, 534', 9 5/8", H40, 32.3 ppf, STC casing			5. Drilling	6.5	16					
				Centrilizers @ 514', 444' & 44'. Witnessed by BLM, Jack Johnson			6. Drive Pipe							
0100	0300	2.0	2	RU Halliburton. Cemented casing w/ 400 sx. Class G w/ 2% CaCl ₂ . .25 #/sx cello flake. Wt = 15.8 ppg, yield 1.15 CF/sx, 5 gal/sx water. Bumped plug at 40.4 dispt.with 700 psi.(300 over displ)			7. Fishing							
				Witnessed by BLM, Jack Johnson. Safety meeting was held			8. OH Logging							
				Bumped plug @ 0300 hrs. 25 bbls to pit. Cement to surf.			9. Lost Circ.							
0300	0600	3.0	27	WOC			10. Drill Cmt./LOT							
							11. N.U./N.D.							
							12. P.U./L.D. BHA		1.5					
							13. P.U./L.D. Pipe							
							14. R/U; R/D		30					
				BLM Jack Johnson inspected rig										

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Current Weather	BLM Visit	NPDES	People on Loc.:		Last BOP Test Date	RIG ELEVATIONS
Wind:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator			RKB 15 ft
Seas:	Problem? <input type="checkbox"/> Yes		Contractor		Next BOP Test Date	Water Depth ft
Sky:	<input checked="" type="checkbox"/> No	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service			RKB-CHF ft

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD														
BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
2	8 3/4	MBC C783G	MB87073		542'	233'	3	3/4	40	77.7				
Bit Remarks:					Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque					
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP			Pump #1	Pump #2	Pump #3
1	9 x 6	3.15								1/4				
2	9 x 6	3.15								1/2				
										3/4				

[illegible]

DIRECTIONAL SURVEYS							
MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY									
TIME		HOUR	Time Code	Boats:	Supply Boat Name:	Status:	Time Summary		
FROM	TO								
0600	0900	3.0	27	WOC					
0900	1030	1.5	11	Nipple down and cut conductor					
1030	1200	1.5	11	Cut casing and weld on casing head	1. Mob/DeMob			8	
1200	1330	1.5	11	Wait on well head to cool and test.	2. Cement			2.5	
1330	1630	3.0	11	Nipple up BOP's.	3. Circulate			4	
1630	1700	0.5	22	Test kelly. High 3000 psi, low 250 psi	4. Directional Work				
1700	1800	1.0	22	Test BOPs. Pipe rams would not hold. Remove & replace pipe ram rubbers	5. Drilling	3		19	
1800	2130	3.5	22	Test BOPs, hydrill, choke & casing	6. Drive Pipe				
				Blind & pipe rams - 3000 psi 10 min. 250 psi for 5 min	7. Fishing				
				Annular - 1500 psi for 10 min. 250 psi for 5 min	8. OH Logging				
				Choke line, kill line, upper kelly, lower kelly, choke, safety valves -	9. Lost Circ.				
				3000 psi for 10 mins. 250 psi for 5 mins.	10. Drill Cmt./LOT	2		2	
				Casing tested to 1500 psi for 30 mins. Test witnessed and approved by	11. N.U./ N.D.	9		9	
				Jack Johnson, BLM	12. P.U./L.D. BHA			1.5	
2130	2300	1.5	11	Nippple up air head & flow line	13. P.U./L.D. Pipe				
2300	0100	2.0	21	PU air hammer & TIH	14. R/U; R/D			30	
0100	0300	2.0	10	Dry up hole, drill out plug and shoe	15. Rig Repair				
0300	0600	3.0	5	Drill 8 3/4" hole from 542' to 775'	16. Run Casing			2	
					17. Service Rig				
					18. Sidetrack Op.				
					19. Stuck Pipe				
					20. Survey				
					21. Trips	2		3.5	
					22. Tst. BOPs	5		5	
					23. UR/HO				
					24. W.O.W.				
					25. Wash & Ream				
					26. Well Control				
					27. WOC	3		6	
					28. Other			34.5	
					Total	24		127	
Total Hours		24.0							
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost		\$227,993	
Daily		Daily	340 Gals	Cement:	sx	Daily Cost		\$45,885	
Cum.		Cum.	1910 Gals	Barite:	sx	Cum. Cost		\$273,878	

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MSC Exploration Daily Drilling Report

Block, Lease and Well No.				Contract Rig	DOL	DFS	Date on Location	Spud Date	Report Date
E. Crested Junction - Federal MSC #26-1				Union #7	10	3	11/3/2004	Nov 10, 2004	Nov 13, 2004
MD	TVD	Footage	AFE No.	AFE Amount	Auth. TD.		Company Representative		
2,557	2,557	1,782		\$958,000	8,700'		Roger Knight		
Present Operation				Rig Phone:	435-220-0999		Toolpusher		
Air Drilling				Rig Fax:	435-220-0999		Chris Chapman		

Current Weather	BLM Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS	
Wind:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator		RKB	15 ft
Seas:	Problem? <input type="checkbox"/> Yes		Contractor	Next BOP Test Date	Water Depth	ft
Sky:	<input checked="" type="checkbox"/> No <input type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service		RKB-CHF	ft

CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth	Liner Top	MW when	Pres	LOT	Leakoff?
						MD	TVD	MD	TVD	Run	
Conductor	16"		LP		1	37'	37'			Air	
Surface	9 5/8"	32.3	H40	STC	12	534'	534'			Air	

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade		
2	8 3/4	MBC C783G	MB87073		542'	2,015'	24 1/2	3/5	40	82.2	Tooth	Bearing	Gage
Bit Remarks:				Cum. ROT. Hrs		PU Wt	SO Wt	ROT Wt	Torque				
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV	Speed	SPM	Slow Pump Pressures		
								DC	DP	1/4	Pump #1	Pump #2	Pump #3
1	9 x 6	3.15								1/2			
2	9 x 6	3.15								3/4			

BHA

Length: 581.53	Description: bit (.3), hammer (4.35'), bit sub (3.10), 12 - 6" DCs (363.5') jars (30.41'), 6 - 6" DCs (179.87)
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MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT	Air Drilling		air 1800 scf	350 psi												
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer	Mud Company								
PIT					#1	#2	Desand	Cent.								
					#3	#4	Desilt	Mud Cl	Daily Cost	Cumulative Cost						

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE
1498	1498	3.00 °					
2004	2004	2.00 °					

OPERATIONS SUMMARY

TIME		HOUR	Time Code	Boats:	Supply Boat Name:	Crew Boat Name:	Status:	Time Summary		
FROM	TO							Activity	Daily	Cum.
0600	0730	1.5	5	Drill 775' to 957' w/ air						
0730	0800	0.5	20	Survey 915' - 3.25 deg						
0800	1500	7.0	5	Drill to 1540' w/ air				1. Mob/DeMob		8
1500	1600	1.0	20	Survey 1498' 3 deg. Service rig. Change out rotating rubbers				2. Cement		2.5
1600	2200	6.0	5	Drill to 2033' w/ air				3. Circulate		4
2200	2230	0.5	20	Survey 2004' 2 deg				4. Directional Work		
2230	0600	7.5	5	Drill to 2557' w/ air. Hole still dry				5. Drilling	22	41
								6. Drive Pipe		
								7. Fishing		
								8. OH Logging		
								9. Lost Circ.		
								10. Drill Cmt./LOT		2
								11. N.U./ N.D.		9
								12. P.U./L.D. BHA		1.5
								13. P.U./L.D. Pipe		
								14. R/U; R/D		30
				Mancos Shale Surface	Dakota Silt 2466'			15. Rig Repair		
								16. Run Casing		2
								17. Service Rig		
								18. Sidetrack Op.		
				BKG = 4-11 u				19. Stuck Pipe		
				Conn = 0 u				20. Survey	2	2
				Trip = na				21. Trips		3.5
				Max Form. Gas = 0 u				22. Tst. BOPs		5
				No new shows				23. UR/HO		
								24. W.O.W.		
								25. Wash & Ream		
								26. Well Control		
								27. WOC		6
								28. Other		34.5
Total Hours		24.0						Total	24	151
Rig Downtime				Fuel Usage	Bulk Material on Board		Previous Cost	\$252,111		
Daily		Daily	1430	Gals	Cement:	sx	Daily Cost	\$51,944		
Cum.		Cum.	3340	Gals	Barite:	sx	Cum. Cost	\$241,955		

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MSC Exploration Daily Drilling Report

<u>Block, Lease and Well No.</u> E. Crested Junction - Federal MSC #26-1				<u>Contract Rig</u> Union #7	<u>DOL</u> 11	<u>DFS</u> 4	<u>Date on Location</u> 11/3/2004	<u>Spud Date</u> Nov 10, 2004	<u>Report Date</u> Nov 14, 2004
<u>MD</u> 2,700	<u>TVD</u> 2,700	<u>Footage</u> 143	<u>AFE No.</u>	<u>AFE Amount</u> \$958,000	<u>Auth. TD.</u>	<u>Company Representative</u>			
					8,700'		Roger Knight		
<u>Present Operation</u> Washing & Reaming Conditioning Mud				<u>Rig Phone:</u> <u>Rig Fax:</u>	435-220-0999 435-220-0999		<u>Toolpusher</u> Chris Chapman		

Current Weather	BLM Visit	NPDES	People on Loc.:	15	Last BOP Test Date	RIG ELEVATIONS			
Wind:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator	1	11/11/2004	RKB	15	ft	
Seas:	Problem? <input type="checkbox"/> Yes		Contractor	11	Next BOP Test Date	Water Depth		ft	
Sky:	<input checked="" type="checkbox"/> No <input type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service	3	12/11/04	RKB-CHF		ft	

CASING RECORD

Casing String	OD	WT.	Grade	Conn.	Jts. Run	Setting Depth MD	TVD	Liner Top MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	16"		LP		1	37'	37'			Air			
Surface	9 5/8"	32.3	H40	STC	12	534'	534'			Air			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
2	8 3/4	MBC C783G	MB87073		542'	2,158'	27 1/2	3/5	40	78.5				
3	8 3/4	STC MR7319	ER6515v	16,16,16	2,700'									
Bit Remarks:					Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque					
Pump No.	Stroke X Liner	Output gpm	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP			Pump #1	Pump #2	Pump #3
1	9 x 6	3.15								1/4				
2	9 x 6	3.15								1/2				
										3/4				

BHA

Length: 609.63	Description: bit (1), motor (27.94'), 1 - 6" DCs (30.83'), IBS (4.27'). DC (30.82'), IBS (3.64'), 10 DCs(301.85)
	jars (30.41'), 6 - 6" DCs (179.87')

MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer	Mud Company								
PIT					#1	#2	Desand	Cent.								
					#3	#4	Desilt	Mud Cl	Daily Cost	Cumulative Cost						

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

TIME		HOUR	Time Code	Boats:	Supply Boat Name:	Crew Boat Name:	Status:	Time Summary		
FROM	TO							Activity	Daily	Cum.
0600	0630	0.5	20	Survey @ 2511' 2.5 deg. Service rig						
0630	0930	3.0	5	Drill 2557' to 2700'. Added soap @ 2665'						
0930	1000	0.5	3	Circulate to clean hole				1. Mob/DeMob		8
1000	1230	2.5	21	TOOH				2. Cement		2.5
1230	1430	2.0	12	LD BHA - air hammer- PU motor and IBSs.				3. Circulate	13	17
1430	1530	1.0	21	TIH with BHA				4. Directional Work		
1530	0300	11.5	3	Mix and condition mud				5. Drilling	3	44
0300	0400	1.0	3	Load hole. Circulating system				6. Drive Pipe		
0400	0600	2.0	21	TIH to 2324' Hit bridge. Circulating and Conditioning mud				7. Fishing		
								8. OH Logging		
								9. Lost Circ.		
								10. Drill Cmt./LOT		2
								11. N.U./N.D.		9
								12. P.U./L.D. BHA	2	3.5
								13. P.U./L.D. Pipe		
								14. R/U; R/D		30
								15. Rig Repair		
								16. Run Casing		2
								17. Service Rig		
								18. Sidetrack Op.		
								19. Stuck Pipe		
								20. Survey	0.5	2.5
								21. Trips	5.5	9
								22. Tst. BOPs		5
								23. UR/HO		
								24. W.O.W.		
								25. Wash & Ream		
								26. Well Control		
								27. WOC		6
								28. Other		34.5
Total Hours		24.0						Total	24	175
Rig Downtime				Fuel Usage		Bulk Material on Board		Previous Cost \$304,055		
Daily		Daily	588	Gals	Cement:	sx		Daily Cost \$13,296		
Cum.		Cum.	3928	Gals	Barite:	sx		Cum. Cost \$317,351		

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MSC Exploration Daily Drilling Report

<u>Block Lease and Well No.</u> E. Crested Junction - Federal MSC #26-1				<u>Contract Rig</u> Union #7	<u>DOL</u> 13	<u>DFS</u> 6	<u>Date on Location</u> 11/3/2004	<u>Spud Date</u> Nov 10, 2004	<u>Report Date</u> Nov 16, 2004
<u>MD</u> 3,515	<u>TVD</u> 3,515	<u>Footage</u> 374	<u>AFE No.</u>	<u>AFE Amount</u> \$958,000	<u>Auth. TD.</u> 8,700'	<u>Company Representative</u> Carl Hulslander			
<u>Present Operation</u> Working Stuck Pipe				<u>Rig Phone:</u> <u>Rig Fax:</u>	435-220-0999 435-220-0999		<u>Toolpusher</u> Chris Chapman		

Current Weather	BLM Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS
Wind:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	LC50 Sample Date	Operator	11/11/2004	RKB 15 ft
Seas:	Problem? <input type="checkbox"/> Yes		Contractor	Next BOP Test Date	Water Depth ft
Sky:	<input type="checkbox"/> No Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service	12/11/04	RKB-CHF ft

[illegible]

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD														
BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
3	8 3/4	STC MR7319	ER6515v	16,16,16	2,700'	815'	27 1/2	30	30	29.6				
<u>Bit Remarks:</u>					Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque					
					71.5	90	87	89						
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP			Pump #1	Pump #2	Pump #3
1	9 x 6	3.15	120	378	1200	207		145	206	1/4				
2	9 x 6	3.15								1/2				
										3/4				

BHA	
Length: 609.63	Description: bit (1), motor (27.94'), 1 - 6" DCs (30.83'), IBS (4.27'), DC (30.82'), IBS (3.64'), 10 DCs (301.85) jars (30.41'), 6 - 6" DCs (179.87')

MUD DATA																
	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT	8.5	35	9	6.0	3/7	7.2		1	5.2			tr	9.2	10.3	0.5	.3/6
	Chlorides		Ca++		Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer			Mud Company		
PIT	10500		60		85	85	#1	#2	Desand	Cent.						
			2.5% KCL				145	145								
							#3	#4	Desilt	Mud Cl	Daily Cost			Cumulative Cost		
							145	255			\$6,005			\$9,525		

DIRECTIONAL SURVEYS							
MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE
3445	3445	4.00 °					

OPERATIONS SUMMARY									
TIME			Time Code	Boats:	Supply Boat Name:	Status:	Time Summary		
FROM	TO	HOUR							
0600	1330	7.5	5	Drill 3141' to 3327'					
1330	1430	1.0	20	Survey @ 3445' - miss run	Service rig				
1430	2200	7.5	5	Drill 3327' to 3515'		1. Mob/DeMob			8
2200	2230	0.5	3	Circulate bottoms up for survey		2. Cement			2.5
2230	2300	0.5	20	Survey @ 3445' - 4 deg		3. Circulate	0.5		21
2300	0600	7.0	19	Work stuck pipe. Unable to circulate, hole is packed off. Waiting on free point equipment and fishing tools.		4. Directional Work			
						5. Drilling	15		71.5
						6. Drive Pipe			
						7. Fishing			
						8. OH Logging			
						9. Lost Circ.			
						10. Drill Cmt./LOT			2
						11. N.U./N.D.			9
						12. P.U./L.D. BHA			3.5
						13. P.U./L.D. Pipe			
						14. R/U; R/D			30
						15. Rig Repair			
						16. Run Casing			2
						17. Service Rig			
						18. Sidetrack Op.			
						19. Stuck Pipe	7		7
						20. Survey	1.5		5
						21. Trips			9
						22. Tst. BOPs			5
						23. UR/HO			
						24. W.O.W.			
						25. Wash & Ream			7
						26. Well Control			
						27. WOC			6
						28. Other			34.5
						Total	24		223
Total Hours		24.0							
Rig Downtime		Fuel Usage			Bulk Material on Board		Previous Cost \$340,613		
Daily		Daily	895	Gals	Cement:	sx	Daily Cost \$24,915		
Cum.		Cum.	5495	Gals	Barite:	sx	Cum. Cost \$365,528		

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MSC Exploration Daily Drilling Report

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Union #7	DOL 14	DFS 7	Date on Location 11/3/2004	Spud Date Nov 10, 2004	Report Date Nov 17, 2004
MD 3,515	TVD 3,515	Footage	AFE No.	AFE Amount \$958,000	Auth. TD 8,700'	Company Representative Carl Hulslander			
Present Operation TIH inspecting BHA				Rig Phone: 435-220-0999	Rig Fax: 435-220-0999		Toolpusher Chris Chapman		

Current Weather	BLM Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS	
Wind:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	LC50 Sample Date	Operator	11/11/2004	RKB	15 ft
Seas:	Problem? <input type="checkbox"/> Yes		Contractor	Next BOP Test Date	Water Depth	ft
Sky:	<input type="checkbox"/> No <input type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service	12/11/04	RKB-CHF	ft

CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD	TVD	Liner Top MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	16"		LP		1	37'	37'			Air			
Surface	9 5/8"	32.3	H40	STC	12	534'	534'			Air			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD														
BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
3	8 3/4	STC MR7319	ER6515v	16,16,16	2,700'	815'	27 1/2			29.6				
Bit Remarks:				Cum. ROT. Hrs	PU Wt		SO Wt		ROT Wt		Torque			
				71.5										
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP			Pump #1	Pump #2	Pump #3
1	9 x 6	3.15								1/2				
2	9 x 6	3.15								3/4				

BHA

Length: 601.72	Description: bit (1), motor (27.94'), 12 - 6" DCs(335.88), jars (30.41'), 6 - 6" DCs (179.87')

MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT	8.8	42	8	13.0	4/7	7.2		1	5.5			tr	11	10	0.5	.3/6
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer	Mud Company								
PIT	10000	60	80		#1 #2 Desand Cent.											
	2% KCL				#3 #4 Desilt Mud Cl			Daily Cost			Cumulative Cost					
								\$3,281			\$12,806					

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

TIME		HOUR	Time Code	Boats:	Supply Boat Name:	Crew Boat Name:	Status:	
FROM	TO						Status:	Status:
0600	0800	2.0	19	Working stuck pipe.			Time Summary	
0800	1000	2.0	19	Set back kelly- Pipe free to motor			Activity	Daily
1000	1030	0.5	19	Run line to back off 3 DCs above mud motor				Cum.
1030	1100	0.5	19	Pull wireline out. Aborted back off. When testing back off torque			1. Mob/DeMob	8
				pipe rotated slightly.			2. Cement	2.5
1100	1500	4.0	19	Work stuck pipe. Torque easing up. Slow stroke pump. Partial returns			3. Circulate	21
1500	2300	8.0	19	Drill string came free. Circulate hole. Full returns. Hole cleaned up			4. Directional Work	
				Circulate and condition mud. Raised vis to 40, build volume,			5. Drilling	71.5
2300	0300	4.0	21	Pump pill; TOO. Pulled 50K over 3350' - 3230'. Installed wear bushing			6. Drive Pipe	
0300	0600	3.0	21	TIH inspecting BHA			7. Fishing	
							8. OH Logging	
							9. Lost Circ.	
							10. Drill Cmt./LOT	2
							11. N.U./N.D.	9
							12. P.U./L.D. BHA	3.5
							13. P.U./L.D. Pipe	
							14. R/U; R/D	30
				Mancos Shale Surface	Dakota Silt 2466'		15. Rig Repair	
				Dakota Sandstone 2500'	Cedar Mountain 2656'		16. Run Casing	2
				Bushy Basin 2778'	Salt Wash 3067'		17. Service Rig	
				Moab Tongue 3418'			18. Sidetrack Op.	
							19. Stuck Pipe	17
				BKG = 0 u			20. Survey	5
				Conn = 0 u			21. Trips	7
				Trip = 0 u			22. Tst. BOPs	5
				Max Form. Gas = 0 u			23. UR/HO	
							24. W.O.W.	
							25. Wash & Ream	7
							26. Well Control	
				Centrifuge ran 2 days, removed no solids. Determined machine set for			27. WOC	6
				oil base mud. Made adjustments. Machine working great.			28. Other	34.5
							Total	24
								247
Total Hours		24.0						
Rig Downtime			Fuel Usage		Bulk Material on Board		Previous Cost	
Daily	Daily		1246	Gals	Cement:	sx	\$365,528	
Cum.	Cum.		6741	Gals	Barite:	sx	\$30,115	
							Cum. Cost	
							\$395,643	

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DIV. OF OIL, GAS & MINING

MSC Exploration Daily Drilling Report

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Union #7	DOL 15	DFS 8	Date on Location 11/3/2004	Spud Date Nov 10, 2004	Report Date Nov 18, 2004
MD 3,781	TVD 3,781	Footage 266	AFE No.	AFE Amount \$958,000	Auth. TD. 8,700'	Company Representative Carl Huislander			
Present Operation Drilling				Rig Phone: 435-220-0999	Toolpusher Conrad Tenney				
				Rig Fax: 435-220-0999					

Current Weather	BLM Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS
Wind:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	LC50 Sample Date	Operator	11/11/2004	RKB 15 ft
Seas:	Problem? <input type="checkbox"/> Yes		Contractor	Next BOP Test Date	Water Depth ft
Sky:	<input type="checkbox"/> No	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service	12/11/04	RKB-CHF ft

CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD TVD	Liner Top MD TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	16"		LP		1	37' 37'		Air			
Surface	9 5/8"	32.3	H40	STC	12	534' 534'		Air			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade Tooth Bearing Gage		
3	8 3/4	STC MR7319 - 417	ER6515v	16,16,16	2,700'	815'	27 1/2			29.6	3	3	I
4	8 3/4	Reed TD44- 447	K18486	16,16,16	3,515'	266'	9 1/2	30/40	120	28.0			
Bit Remarks:				Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque					
				80									
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV DC DP		Speed	SPM	Slow Pump Pressures Pump #1 Pump #2 Pump #3	
1	9 x 6	3.15	120	378	1250	207		145	206	1/2	45	350	
2	9 x 6	3.15								3/4			

BHA

Length: 601.72	Description: bit (1), motor (27.94'), 12 - 6" DCs(335.88), jars (30.41'), 6 - 6" DCs (179.87')

MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT	8.9	43	11	10.0	4/7	7.5		1	5.5			tr	11	10	0.4	2/6
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer	Mud Company								
PIT	10000	60	88	88	#1 #2	Desand Cent.		M-I								
	2%KCL				145 145	24	Charlie Sneed									
					#3 #4	Desilt Mud Cl	Daily Cost	Cumulative Cost								
					145 255	24	\$2,356	\$15,162								

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

OPERATIONS SUMMARY				Boats:		Status: _____		
TIME		Time Code	Boats:	Supply Boat Name:	Crew Boat Name:	Status: _____		
FROM	TO					HOOR	Time Code	
0600	0800	2.0	21	TIH inspected BHA		Time Summary		
0800	0830	0.5	3	Break circulation. 2942'.		Activity	Daily	Cum.
0830	0900	0.5	21	TIH		1. Mob/DeMob		8
0900	1000	1.0	25	Wash ream 75' to bottom		2. Cement		2.5
1000	1300	3.0	5	Attempted to drill 3512' - 3514' Motor not operating		3. Circulate	1.5	22.5
1300	1400	1.0	3	Mixed and pumped pill		4. Directional Work		
1400	1630	2.5	21	TOOH for motor.		5. Drilling	12.5	84
1630	1700	0.5	12	Function blind rams. LD motor. PU new motor		6. Drive Pipe		
1700	1730	0.5	17	Service rig		7. Fishing		
1730	2030	3.0	21	TIH no fill.		8. OH Logging		
2030	0600	9.5	5	Drill 3514' to 3781'		9. Lost Circ.		
						10. Drill Cmt./LOT		2
						11. N.U./ N.D.		9
						12. P.U./L.D. BHA	0.5	4
						13. P.U./L.D. Pipe		
						14. R/U; R/D		30
				Mancos Shale Surface	Dakota Silt 2466'	15. Rig Repair		
				Dakota Sandstone 2500'	Cedar Mountain 2656'	16. Run Casing		2
				Bushy Basin 2778'	Salt Wash 3067'	17. Service Rig	0.5	0.5
				Moab Tongue 3420'	Entrada (earthy mem) 3464'	18. Sidetrack Op.		
				Entrada Slick Rock 3573'		19. Stuck Pipe		24
						20. Survey		5
				BKG = 10 - 28 u		21. Trips	8	24
				Conn = 0 u		22. Tst. BOPs		5
				Trip = 150 u		23. UR/HO		
				Max Form. Gas = 0 u		24. W.O.W.		
				1 new show		25. Wash & Ream	1	8
				5- 3490' -3520' (30') bright gold flash, bright yellow flouresence		26. Well Control		
						27. WOC		6
						28. Other		34.5
						Total	24	271
Total Hours		24.0						
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost		\$395,643
Daily	Daily	603	Gals	Cement:	sx	Daily Cost		\$27,037
Cum.	Cum.	7344	Gals	Barite:	sx	Cum. Cost		\$422,680

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DIV. OF OIL, GAS & MINING

MSC Exploration Daily Drilling Report

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Union #7	DOL 16	DFS 9	Date on Location 11/3/2004	Spud Date Nov 10, 2004	Report Date Nov 19, 2004
MD 4,595	TVD 4,586	Footage 814	AFE No.	AFE Amount \$958,000	Auth. ID	Company Representative Carl Hulslander			
Present Operation Drilling				Rig Phone:	435-220-0999		Toolpusher Conrad Tenney		
				Rig Fax:	435-220-0999				

Current Weather	BLM Visit <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	NPDES LC50 Sample Date	People on Loc.:	Last BOP Test Date 11/11/2004	RIG ELEVATIONS 15 ft
Wind:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No		Operator	Next BOP Test Date 12/11/04	Water Depth ft
Seas:			Contractor		RKB-CHF
Sky:			Service		

CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD	TVD	Liner Top MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	16"		LP		1	37'	37'			Air			
Surface	9 5/8"	32.3	H40	STC	12	534'	534'			Air			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD														
BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
4	8 3/4	Reed TD44- 447	K18486	16,16,16	3,515'	1,085'	32	25/40	120	33.9				
Bit Remarks:					Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque					
					103	110	98	104						
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP			Pump #1	Pump #2	Pump #3
								1	9 x 6	3.15	120	378	1350	205
2	9 x 6	3.15								3/4				

BHA

Length: 601.72	Description: bit (1'), motor (27.94'), 12 - 6" DCs(335.88'), jars (30.41'), 6 - 6" DCs (179.87')

MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT	8.7	45	14	16.0	5/9	6.4		1	2.75			tr	13	10	0.4	2/6
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer	Mud Company								
PIT	10500	60	90	90	#1 #2 Desand Cent.											
	2 % KCL				145 145 Desand Mud Cl	24	Charlie Sneed	M-I								
					#3 #4 Desilt	24	Daily Cost	Cumulative Cost								
					145 255	24	\$5,437	\$20,599								

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE
3953	3953	2.00 °					
4450	4450	2.00 °					

OPERATIONS SUMMARY

TIME		HOUR	Time Code	Boats:	Supply Boat Name:	Crew Boat Name:	Status:	Time Summary		
FROM	TO							Activity	Daily	Cum.
0600	1200	6.0	5	Drill 3781' to 4026'						
1200	1230	0.5	20	Survey 3953' - 2 deg						
1230	1300	0.5	17	Service rig. Function Pipe rams				1. Mob/DeMob		8
1300	0300	14.0	5	Drill 4026' to 4520'				2. Cement		2.5
0300	0330	0.5	20	Survey 4450' - 2 deg				3. Circulate		22.5
0330	0600	2.5	5	Drill 4520' to 4585'				4. Directional Work		
								5. Drilling	22.5	106.5
								6. Drive Pipe		
								7. Fishing		
								8. OH Logging		
								9. Lost Circ.		
								10. Drill Cmt./LOT		2
				Mancos Shale Surface	Dakota Silt 2466'			11. N.U./N.D.		9
				Dakota Sandstone 2500'	Cedar Mountain 2656'			12. P.U./L.D. BHA		4
				Bushy Basin 2778'	Salt Wash 3067'			13. P.U./L.D. Pipe		
				Moab Tongue 3420'	Entrada (Earthy Member) 3464'			14. R/U; R/D		30
				Entrada Slick Rock 3573'	Carmel 3972'			15. Rig Repair		
				Navajo 4120'				16. Run Casing		2
								17. Service Rig	0.5	1
				BKG = 10 - 80 u				18. Sidetrack Op.		
				Conn = 0 u				19. Stuck Pipe		24
				Trip = 0 u				20. Survey	1	6
				Max Form. Gas = 0 u				21. Trips		24
				2 new shows				22. Tst. BOPs		5
				6- 3586' to 3690' (104') Brown oil cooked out, yellow floresence				23. UR/HO		
				7- 4000' - 4160 (160') Brown oil cooked out, yellow florescence				24. W.O.W.		
				2 new shows all but top 30' of Carmel has oil cooked out & yellow flor.				25. Wash & Ream		8
								26. Well Control		
								27. WOC		6
								28. Other		34.5
Total Hours		24.0						Total	24	295
Rig Downtime				Fuel Usage		Bulk Material on Board		Previous Cost \$422,680		
Daily		Daily		756	Gals	Cement:	sx	Daily Cost \$26,714		
Cum.		Cum.		8100	Gals	Barite:	sx	Cum. Cost \$449,394		

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DIV. OF OIL, GAS & MINING

MSC Exploration Daily Drilling Report

<u>Block, Lease and Well No.</u> E. Crested Junction - Federal MSC #26-1				<u>Contract Rig</u> Union #7	<u>DOL</u> 17	<u>DFS</u> 10	<u>Date on Location</u> 11/3/2004	<u>Spud Date</u> Nov 10, 2004	<u>Report Date</u> Nov 20, 2004
<u>MD</u> 4,979	<u>TVD</u> 4,979	<u>Footage</u> 384	<u>AFE No.</u>	<u>AFE Amount</u> \$958,000	<u>Auth. TD.</u> 8,700'	<u>Company Representative</u> Carl Hulslander			
<u>Present Operation</u> Drilling				<u>Rig Phone:</u> <u>Rig Fax:</u>	435-220-0999 435-220-0999		<u>Toolpusher</u> Conrad Tenney		

Current Weather	BLM Visit	NPDES	People on Loc.:	15	Last BOP Test Date	RIG ELEVATIONS
Wind:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	LC50 Sample Date	Operator	1	11/11/2004	RKB 15 ft
Seas:	Problem? <input type="checkbox"/> Yes		Contractor	11	Next BOP Test Date	Water Depth ft
Sky:	<input type="checkbox"/> No Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service	3	12/11/04	RKB-CHF ft

CASING RECORD

[illegible]

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD														
BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
4	8 3/4	Reed TD44- 447	K18486	16,16,16	3,515'	1,270'	40	25/40	120	31.8	8	8	1/16	
5	8 3/4	Reed F2HV PS	MR9385	16,16,16	4,785'	194'	7	25/30	120	27.7				
Bit Remarks:					Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque					
					118	118	106	112						
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP			Pump #1	Pump #2	Pump #3
1	9 x 6	3.15	120	378	1350	205		204	144	1/2	60	420		
2	9 x 6	3.15								3/4				

BHA

Length: 601.72	Description: bit (1'), motor (27.94'), 12 - 6" DCs(335.88'), jars (30.41'), 6 - 6" DCs (179.87')
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MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pi/Mf
PIT	8.7	41	13	15.0	4/8	6.5		2	2.75			tr	13	9.8	0.4	.2/6

	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer	Mud Company
PIT	10500	60	90	90	#1	#2	Desand	Cent.	Charlie Sneed	M-I
	2 % KCL				145	145		24		
					#3	#4	Desilt	Mud Cl		
					145	255	24	\$2,480	\$23,079	

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

[illegible]

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DIV. OF OIL, GAS & MINING

MSC Exploration Daily Drilling Report

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Union #7		DOL 18	DFS 11	Date on Location 11/3/2004	Spud Date Nov 10, 2004	Report Date Nov 21, 2004
MD 5,469	TVD 5,469	Footage 490	AFE No.	AFE Amount \$958,000	Auth. TD. 8,700'	Company Representative Carl Hulslander				
Present Operation Drilling				Rig Phone: 435-220-0999		Toolpusher Conrad Tenney				
Rig Fax: 435-220-0999										

Current Weather	BLM Visit	NPDES	People on Loc.:	15	Last BOP Test Date	RIG ELEVATIONS
Wind: <input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator	1	11/11/2004	RKB 15 ft
Seas: <input type="checkbox"/> Problem? <input type="checkbox"/> Yes	<input type="checkbox"/> Yes		Contractor	11	Next BOP Test Date	Water Depth ft
Sky: <input type="checkbox"/> No	<input type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service	3	12/11/04	RKB-CHF ft

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth	Liner Top	MW when	LOT	Leakoff?
Conductor	16"		LP		1	37'	37'	Air		
Surface	9 5/8"	32.3	H40	STC	12	534'	534'	Air		

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD																																																																																				
<table border="1"> <tr> <th>BIT No</th> <th>Size</th> <th>Bit Type and Manufacturer</th> <th>Serial Number</th> <th>Jets</th> <th>Depth In</th> <th>Total Footage</th> <th>Hrs</th> <th>WOB</th> <th>Rpm</th> <th>Avg ROP</th> <th>Grade</th> </tr> <tr> <td>5</td> <td>8 3/4</td> <td>Reed F2HV PS</td> <td>MR9385</td> <td>16,16,16</td> <td>4,785'</td> <td>684'</td> <td>30</td> <td>30/40</td> <td>95/100</td> <td>22.8</td> <td></td> </tr> <tr> <td colspan="4">Bit Remarks:</td> <td>Cum. ROT. Hrs</td> <td>PU Wt</td> <td>SO Wt</td> <td>ROT Wt</td> <td>Torque</td> <td colspan="3"></td> </tr> <tr> <td colspan="4"></td> <td>144.5</td> <td>126</td> <td>112</td> <td>118</td> <td></td> <td colspan="3"></td> </tr> </table> <table border="1"> <tr> <th>Pump No.</th> <th>Stroke X Liner</th> <th>Output gps</th> <th>SPM</th> <th>GPM</th> <th>Pressure</th> <th>JV</th> <th>Pb</th> <th>AV</th> <th>Speed</th> <th>SPM</th> <th>Slow Pump Pressures</th> </tr> <tr> <td>1</td> <td>9 x 6</td> <td>3.15</td> <td>110</td> <td>346</td> <td>1300</td> <td>188</td> <td></td> <td>187</td> <td>1/2</td> <td>60</td> <td>Pump #1 Pump #2 Pump #3</td> </tr> <tr> <td>2</td> <td>9 x 6</td> <td>3.15</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>132</td> <td>3/4</td> <td></td> <td></td> </tr> </table>	BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade	5	8 3/4	Reed F2HV PS	MR9385	16,16,16	4,785'	684'	30	30/40	95/100	22.8		Bit Remarks:				Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque								144.5	126	112	118					Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV	Speed	SPM	Slow Pump Pressures	1	9 x 6	3.15	110	346	1300	188		187	1/2	60	Pump #1 Pump #2 Pump #3	2	9 x 6	3.15						132	3/4		
BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade																																																																									
5	8 3/4	Reed F2HV PS	MR9385	16,16,16	4,785'	684'	30	30/40	95/100	22.8																																																																										
Bit Remarks:				Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque																																																																												
				144.5	126	112	118																																																																													
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV	Speed	SPM	Slow Pump Pressures																																																																									
1	9 x 6	3.15	110	346	1300	188		187	1/2	60	Pump #1 Pump #2 Pump #3																																																																									
2	9 x 6	3.15						132	3/4																																																																											

BHA
Length: 601.72 Description: bit (1'), motor (27.94'), 12 - 6" DCs(335.88'), jars (30.41'), 6 - 6" DCs (179.87')
Motor rpm 83 + table 15 rpm

MUD DATA																																																																								
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DIV. OF OIL, GAS & MINING

MSC Exploration Daily Drilling Report

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Union #7	DOL 19	DFS 12	Date on Location 11/3/2004	Spud Date Nov 10, 2004	Report Date Nov 22, 2004
MD 5,714	TVD 5,714	Footage 245	AFE No.	AFE Amount \$958,000	Auth. TD. 8,700'		Company Representative Carl Hulslander		
Present Operation TOOH for Bit # 6				Rig Phone: Rig Fax:	435-220-0999 435-220-0999		Toolpusher Conrad Tenney		

Current Weather	BLM Visit	NPDES	People on Loc.:	15	Last BOP Test Date	RIG ELEVATIONS			
Wind:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	LC50 Sample Date	Operator	1	11/11/2004	RKB	15	ft	
Seas:	Problem? <input type="checkbox"/> Yes		Contractor	11	Next BOP Test Date	Water Depth		ft	
Sky:	<input type="checkbox"/> No <input type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service	3	12/11/04	RKB-CHF		ft	

CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth		Liner Top		MW when Run	Pres	LOT	Leakoff?
						MD	TVD	MD	TVD			EMW	
Conductor	16"		LP		1	37'	37'			Air			
Surface	9 5/8"	32.3	H40	STC	12	534'	534'			Air			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
5	8 3/4	Reed F2HV PS	MR9385	16,16,16	4,785'	929'	50	30/40	98	18.6				
Bit Remarks:				Cum. ROT. Hrs	PU Wt		SO Wt		ROT Wt		Torque			
				144.5	130		116		122					
Pump No.	Stroke X Liner	Output gpm	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP			Pump #1	Pump #2	Pump #3
1	9 x 6	3.15	110	346	1300	188		187	132	1/2	47	245		
2	9 x 6	3.15								3/4				

BHA

Length: 601.72	Description: bit (1'), motor (27.94'), 12 - 6" DCs(335.88'), jars (30.41'), 6 - 6" DCs (179.87')
Motor rpm 83 + table 15 rpm	

MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT	8.8	40	12	15.0	11/20	6.6		2	3.5			0.25	12	8.2	0.25	.001/1.0
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours		Mud Engineer		Mud Company						
PIT	10000	200	88	104	#1 #2	Desand	Cent.	Jon Lyman		M-I						
	2 %KCL				145 145	24										
					#3 #4	Desilt	Mud Cl	Daily Cost		Cumulative Cost						
					145 255	24		\$4,482		\$32,058						

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE
545	5454	2.50 °					

OPERATIONS SUMMARY

TIME		HOUR	Time Code	Boats:	Supply Boat Name:	Status:
FROM	TO					
0600	1130	5.5	5	Drill 5469' to 5527'	Crew Boat Name:	Status:
1130	1200	0.5	20	Survey 5454' - 2.5 deg		
1200	1230	0.5	17	Service rig. Function annular		
1230	0300	14.5	5	Drill 5527' to 5714'		
0300	0400	1.0	3	Circ. Mix pill and pump.		
0400	0600	2.0	21	TOOH for bit #6		
				Time Summary		
				Activity	Daily	Cum.
				1. Mob/DeMob		8
				2. Cement		2.5
				3. Circulate	1	25
				4. Directional Work		
				5. Drilling	20	164.5
				6. Drive Pipe		
				7. Fishing		
				8. OH Logging		
				9. Lost Circ.		
				10. Drill Cmt./LOT		2
				11. N.U./N.D.		9
				12. P.U./L.D. BHA		4
				13. P.U./L.D. Pipe		
				14. R/U; R/D		30
				15. Rig Repair		
				16. Run Casing		2
				17. Service Rig	0.5	2.5
				18. Sidetrack Op.		
				19. Stuck Pipe		24
				20. Survey	0.5	7
				21. Trips	2	33
				22. Tst. BOPs		5
				23. UR/HO		
				24. W.O.W.		
				25. Wash & Ream		8
				26. Well Control		
				27. WOC		6
				28. Other		34.5
				Total	24	367
Total Hours			24.0			
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost \$503,878
Daily		Daily	756 Gals	Cement:	sx	Daily Cost \$23,334
Cum.		Cum.	10956 Gals	Barite:	sx	Cum. Cost \$527,212

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MSC Exploration Daily Drilling Report

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Union #7	DOL 20	DFS 13	Date on Location 11/3/2004	Spud Date Nov 10, 2004	Report Date Nov 23, 2004
MD 5,915	TVD 5,915	Footage 201	AFE No.	AFE Amount \$958,000	Auth. TD. 8,700'		Company Representative Carl Hulslander		
Present Operation Drilling				Rig Phone: Rig Fax:	435-220-0999 435-220-0999		Toolpusher Conrad Tenney		

Current Weather	BLM Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS	
Wind:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator	11/11/2004	RKB	15 ft
Seas:	Problem? <input type="checkbox"/> Yes		Contractor	Next BOP Test Date	Water Depth	ft
Sky:	<input checked="" type="checkbox"/> No	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service	12/11/04	RKB-CHF	ft

CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting MD	Depth TVD	Liner Top MD	Top TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	16"		LP		1	37'	37'			Air			
Surface	9 5/8"	32.3	H40	STC	12	534'	534'			Air			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade		
											Tooth	Bearing	Gage
5	8 3/4	Reed F2HV PS	MR9385	16,16,16	4,785'	929'	50			18.6	6	5	1/16
6	8 3/4	HTC GTA 28	5063684	16,16,16	5,714'	201'	15	30/35	95/100	13.4			
Bit Remarks: Buttons gone on all outer rows on all				Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque					
				175	130	118	124						
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures	
								DC	DP	1/4		Pump #1	Pump #2
1	9 x 6	3.15	110	346	1230	188		187	132	1/2	48	220	
2	9 x 6	3.15								3/4			

BHA

Length: 601.72	Description: bit (1'), motor (27.94'), 12 - 6" DCs(335.88'), jars (30.41'), 6 - 6" DCs (179.87')
Motor rpm 83 + table 15 rpm	

MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT	8.8	43	11	17.0	12/20	8.0		2	3.5			0.25	11.6	9	0.3	.15/1.25
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer	Mud Company								
PIT	10000	100	89	103	#1 #2	Desand Cent.										
	2 % KCL				145 145	24	Jon Lyman	M-I								
					#3 #4	Desilt Mud Cl	Daily Cost	Cumulative Cost								
					145 255	24	\$2,631	\$34,689								

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

TIME		HOUR	Time Code	Boats:	Supply Boat Name:	Crew Boat Name:	Status:	
FROM	TO						Status:	Status:
0600	0800	2.0	21	TOOH for bit			Time Summary	
0800	0830	0.5	21	Function blind rams				
0830	0900	0.5	21	TIH to surface shoe			Activity	Daily
0900	1100	2.0	17	Slip and cut 100' drilling line, Change oil in floor motor				Cum.
1100	1130	0.5	17	Service rig			1. Mob/DeMob	8
1130	1300	1.5	21	TIH			2. Cement	2.5
1300	1330	0.5	3	Fill pipe @ 3511'			3. Circulate	0.5
1330	1430	1.0	21	TIH			4. Directional Work	25.5
1430	1500	0.5	25	Wash and ream 38' to bottom. 10' of fill			5. Drilling	15
1500	0600	15.0	5	Drill to 5915'			6. Drive Pipe	179.5
							7. Fishing	
							8. OH Logging	
							9. Lost Circ.	
							10. Drill Cmt./LOT	2
							11. N.U./N.D.	9
							12. P.U./L.D. BHA	4
							13. P.U./L.D. Pipe	
							14. R/U; R/D	30
							15. Rig Repair	
							16. Run Casing	2
							17. Service Rig	2.5
							18. Sidetrack Op.	5
							19. Stuck Pipe	
							20. Survey	24
							21. Trips	7
							22. Tst. BOPs	5.5
							23. UR/HO	38.5
							24. W.O.W.	5
							25. Wash & Ream	0.5
							26. Well Control	8.5
							27. WOC	
							28. Other	6
							Total	34.5
								24
								391
Total Hours		24.0						
Rig Downtime			Fuel Usage		Bulk Material on Board		Previous Cost	
Daily			Daily	672 Gals	Cement:	sx	Daily Cost	\$527,212
Cum.			Cum.	11628 Gals	Barite:	sx	Cum. Cost	\$34,990
							\$562,202	

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DIV. OF OIL, GAS & MINING

MSC Exploration Daily Drilling Report

Block, Lease and Well No.				Contract Rig	DOL	DFS	Date on Location	Spud Date	Report Date
E. Crested Junction - Federal MSC #26-1				Union #7	21	14	11/3/2004	Nov 10, 2004	Nov 24, 2004
MD	TVD	Footage	AFE No.	AFE Amount	Auth. TD.		Company Representative		
5,995	5,995	80		\$958,000	8,700'		Carl Hulslander		
Present Operation				Rig Phone:	435-220-0999		Toolpusher		
Drilling				Rig Fax:	435-220-0999		Conrad Tenney		

Current Weather	BLM Visit	NPDES	People on Loc.:	15	Last BOP Test Date	RIG ELEVATIONS			
Wind:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator	1	11/11/2004	RKB	15	ft	
Seas:	Problem? <input type="checkbox"/> Yes		Contractor	11	Next BOP Test Date	Water Depth		ft	
Sky:	<input checked="" type="checkbox"/> No Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service	3	12/11/04	RKB-CHF		ft	

CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth	Liner Top	MW when	Pres	LOT	Leakoff?
						MD	TVD	MD	TVD	Run	
Conductor	16"		LP		1	37'	37'			Air	
Surface	9 5/8"	32.3	H40	STC	12	534'	534'			Air	

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade		
6	8 3/4	HTC GTA 28	5063684	16,16,16	5,714'	201'	23	35/40	80/85	8.7	Tooth	Bearing	Gage
Bit Remarks:					Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque				
					183	130	118	124					
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV	Speed	SPM	Slow Pump Pressures		
								DC	DP	1/4	Pump #1	Pump #2	Pump #3
1	9 x 6	3.15	120	346	850	188		187	132	1/2	48	220	
2	9 x 6	3.15								3/4			

BHA

Length:	577	Description:	bit (1'), BS (3.23'), 12 - 6" DCs(335.88'), jars (30.68'), 6 - 6" DCs (179.87')

MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT	8.8	44	17	27.0	18/28	8.2		2	3.5			0.25	12	8	0.2	.001/1.2
	Chlorides		Ca++		Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer				Mud Company	
PIT	11000		200		87		#1	#2	Desand	Cent.	Jon Lyman			M-I		
	2 % KCL						145	145		24						
							#3	#4	Desilt	Mud Cl	Daily Cost		Cumulative Cost			
							145	255		24	\$2,631		\$37,320			

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE
5916	5916	2.00 °					

OPERATIONS SUMMARY

TIME		HOUR	Time Code	Boats:	Supply Boat Name:	Status:
FROM	TO					
0600	1100	5.0	5	Drill 5915' to 5967'	Crew Boat Name:	Status:
1100	1200	1.0	3	Circulate hole. Mud motor failure	Time Summary	
1200	1300	1.0	20	Survey 5916' 2 deg	Activity	Daily Cum.
1300	1330	0.5	17	Service rig	1. Mob/DeMob	8
1330	1430	1.0	3	Mix and pump pill	2. Cement	2.5
1430	2100	6.5	21	TOOH. LD motor. Change out jars	3. Circulate	27.5
2100	0300	6.0	21	TIH. 10' fill	4. Directional Work	
0300	0600	3.0	5	Drill 5967' to 5995'	5. Drilling	187.5
					6. Drive Pipe	
					7. Fishing	
					8. OH Logging	
					9. Lost Circ.	
					10. Drill Cmt./LOT	2
				BLM visit from Jack Johnson. Everything wonderful at location	11. N.U./N.D.	9
					12. P.U./L.D. BHA	4
				Mancos Shale Surface Dakota Silt 2466'	13. P.U./L.D. Pipe	
				Dakota Sandstone 2500' Cedar Mountain 2656'	14. R/U; R/D	30
				Bushy Basin 2778' Salt Wash 3067'	15. Rig Repair	
				Moab Tongue 3420' Entrada (Earthy Member) 3464'	16. Run Casing	2
				Entrada Slick Rock 3573' Carmel 3972'	17. Service Rig	0.5 5.5
				Navajo 4120' Kayenta 4592'	18. Sidetrack Op.	
				Wingate 4806' Chinle 5180'	19. Stuck Pipe	24
				Shinarump 5585' Moenkopi 5596'	20. Survey	1 8
				Moenkopi Sinbad	21. Trips	12.5 51
					22. Tst. BOPs	5
				BKG = 6 - 15 u	23. UR/HO	
				Conn = 0 u	24. W.O.W.	
				Trip = 590 u	25. Wash & Ream	8.5
				Max Form. Gas = 0 u	26. Well Control	
				No new shows	27. WOC	6
					28. Other	34.5
Total Hours		24.0			Total	24 415
Rig Downtime				Fuel Usage	Bulk Material on Board	Previous Cost \$562,202
Daily		Daily	630	Gals	Cement: sx	Daily Cost \$19,502
Cum.		Cum.	12258	Gals	Barite: sx	Cum. Cost \$581,704

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DIV. OF OIL, GAS & MINING

MSC Exploration Daily Drilling Report

Block, Lease and Well No.				Contract Rig	DOL	DFS	Date on Location	Spud Date	Report Date
E. Crested Junction - Federal MSC #26-1				Union #7	22	15	11/3/2004	Nov 10, 2004	Nov 25, 2004
MD	TVD	Footage	AFE No.	AFE Amount	Auth. TD.		Company Representative		
6,250	6,250	255		\$958,000	8,700'		Carl Hulslander		
Present Operation				Rig Phone:	435-220-0999		Toolpusher		
Drilling				Rig Fax:	435-220-0999		Conrad Tenney		

Current Weather	BLM Visit	NPDES	People on Loc.:	15	Last BOP Test Date	RIG ELEVATIONS			
Wind:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator	1	11/11/2004	RKB 15 ft			
Seas:	Problem? <input type="checkbox"/> Yes		Contractor	11	Next BOP Test Date	Water Depth ft			
Sky:	<input checked="" type="checkbox"/> No	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service	3	12/11/04	RKB-CHF ft			

CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth	Liner Top	MW when	Pres	LOT	Leakoff?
Conductor	16"		LP		1	37'	37'	Air			
Surface	9 5/8"	32.3	H40	STC	12	534'	534'	Air			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD														
BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
6	8 3/4	HTC GTA 28	5063684	16,16,16	5,714'	536'	46 1/2	35/40	85/90	11.5				
Bit Remarks:					Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque					
					206.5	138	128	118						
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP			Pump #1	Pump #2	Pump #3
								1	9 x 6	3.15	120	346	1230	205
2	9 x 6	3.15								3/4				

BHA

Length:	577	Description:	bit (1'), BS (3.23'), 12 - 6" DCs(335.88'), jars (30.68'), 6 - 6" DCs (179.87')											
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MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT	8.8	35	5	17.0	11/23	8.8		2	3.5			0.25	12	8	0.25	0.1/1.3
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours		Mud Engineer		Mud Company						
PIT	12000	260		112	#1	#2	Desand	Cent.		Jon Lyman						
	2.1 % KCL				145	145	24			M-I						
					#3	#4	Desilt	Mud Cl	Daily Cost	Cumulative Cost						
					145	255		24	\$2,750	\$40,070						

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

TIME			Boats:	Supply Boat Name:	Status:
FROM	TO	HOUR	Code	Crew Boat Name:	Status:
0600	2200	16.0	5	Drill	
2200	2230	0.5	17	Service rig and function BOP	
2230	0600	7.5	5	Drill to 6250'	
				Time Summary	
				Activity	Daily Cum.
				1. Mob/DeMob	8
				2. Cement	2.5
				3. Circulate	27.5
				4. Directional Work	
				5. Drilling	23.5 211
				6. Drive Pipe	
				7. Fishing	
				8. OH Logging	
				9. Lost Circ.	
				10. Drill Cmt./LOT	2
				11. N.U./N.D.	9
				12. P.U./L.D. BHA	4
				13. P.U./L.D. Pipe	
				14. R/U; R/D	30
				15. Rig Repair	
				16. Run Casing	2
				17. Service Rig	0.5 6
				18. Sidetrack Op.	
				19. Stuck Pipe	24
				20. Survey	8
				21. Trips	51
				22. Tst. BOPs	5
				23. UR/HO	
				24. W.O.W.	
				25. Wash & Ream	8.5
				26. Well Control	
				27. WOC	6
				28. Other	34.5
				Total	24 439
Total Hours			24.0		
Rig Downtime					
Fuel Usage					
Bulk Material on Board					
Previous Cost				\$581,704	
Daily			Daily	924 Gals	Cement: sx
Daily Cost				\$20,673	
Cum.			Cum.	13182 Gals	Barite: sx
Cum. Cost				\$602,377	

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DIV. OF OIL, GAS & MINING

MSC Exploration Daily Drilling Report

<u>Block, Lease and Well No.</u> E. Crested Junction - Federal MSC #26-1				<u>Contract Rig</u> Union #7	<u>DOL</u> 23	<u>DFS</u> 16	<u>Date on Location</u> 11/3/2004	<u>Spud Date</u> Nov 10, 2004	<u>Report Date</u> Nov 26, 2004
<u>MD</u> 6,368	<u>IVD</u> 6,358	<u>Footage</u> 108	<u>AFE No.</u>	<u>AFE Amount</u> \$958,000	<u>Auth. TD.</u> 8,700'	<u>Company Representative</u> Carl Hulslander			
<u>Present Operation</u> Drilling				<u>Rig Phone:</u> Rig Fax:	435-220-0999 435-220-0999		<u>Toolpusher</u> Conrad Tenney		

Current Weather	BLM Visit	NPDES	People on Loc.:	15	Last BOP Test Date	RIG ELEVATIONS
Wind:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator	1	11/11/2004	RKB 15 ft
Seas:	Problem? <input type="checkbox"/> Yes		Contractor	11	Next BOP Test Date	Water Depth ft
Sky:	<input checked="" type="checkbox"/> No Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service	3	12/11/04	RKB-CHF ft

CASING RECORD

[illegible]

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD														
BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
6	8 3/4	HTC GTA 28	5063684	16,16,16	5,714'	616'	56	35/40	85/90	11.0				
7	8 3/4	HTC GTS 28	5063683	16,16,16	6,330'	28'	3	35/40	85/90	9.3				
Bit Remarks:					Cum. ROT: Hrs	PU Wt	SO Wt		ROT Wt		Torque			
					206.5									
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP			Pump #1	Pump #2	Pump #3
1	9 x 6	3.15								1/4				
2	9 x 6	3.15								1/2				
										3/4				

BHA

Length:	577	Description:	blt (1'), BS (3.23'), 12 - 6" DCs(335.88"), jars (30.68"), 6 - 6" DCs (179.87")
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MUD DATA

MOD DATA	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pt/Mf
PIT	8.8	36	11	13.0	12/26	9.0		2	3.5			0.25	11.8	8	0.2	.001/1.3

	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer	Mud Company
PIT	11000	280			#1	#2	Desand	Cent.	Jon Lyman	M-I
	2 % KCL				145	145		24		
					#3	#4	Desilt	Mud Cl	Daily Cost	Cumulative Cost
					145	255		24	\$3,250	\$43,320

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE
6240	6240	2.75 °					

OPERATIONS SUMMARY

OPERATIONS SUMMARY					Status: _____	
TIME		HOUR	Time Code	Boats:	Supply Boat Name:	Status: _____
FROM	TO			Crew Boat Name:		Status: _____
0600	1130	5.5	5	Drill 6250' to 6299'		
1130	1230	1.0	20	Survey 6240' 2.75 deg		
1230	1630	4.0	5	Drill 6299' to 6330'		1. Mob/DeMob
1630	1700	0.5	3	Mix and pump pill		2. Cement
1700	2130	4.5	21	TOOH		3. Circulate
2130	2200	0.5	17	Service rig. Function BOPs		4. Directional Work
2200	0300	5.0	21	PU bit #7. TIH		5. Drilling
0300	0600	3.0	5	Drill 6330' to 6358'		6. Drive Pipe
						7. Fishing
						8. OH Logging
						9. Lost Circ.
						10. Drill Cmt./LOT
						11. N.U./N.D.
						12. P.U./L.D. BHA
				Mancos Shale Surface	Dakota Silt 2466'	13. P.U./L.D. Pipe
				Dakota Sandstone 2500'	Cedar Mountain 2656'	14. R/U; R/D
				Bushy Basin 2778'	Salt Wash 3067'	15. Rig Repair
				Moab Tongue 3420'	Entrada (Earthy Member) 3464'	16. Run Casing
				Entrada Slick Rock 3573'	Carmel 3972'	17. Service Rig
				Navajo 4120'	Kayenta 4592'	18. Sidetrack Op.
				Wingate 4806'	Chinle 5180'	19. Stuck Pipe
				Shinarump 5585'	Moenkopi 5596'	20. Survey
				Moenkopi Sinbad		21. Trips
						22. Tst. BOPs
				BKG = 3 - 30 u		23. UR/HO
				Conn = 0 u		24. W.O.W.
				Trip = 182 u		25. Wash & Ream
				Max Form. Gas = 0 u		26. Well Control
				One new show		27. WOC
				12- 6008' - 6018 (10') Visible moderate to dark brown, yellow flour		28. Other
						Total
Total Hours		24.0				
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost
Daily		Daily	756 Gals	Cement:	sx	\$602,377
Cum.		Cum.	13938 Gals	Barite:	sx	Daily Cost
						Cum. Cost
						\$634,289

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MAY 25 2005

DIV. OF OIL, GAS & MINING

MSC Exploration Daily Drilling Report

Block, Lease and Well No.				Contract Rig	DOL	DFS	Date on Location	Spud Date	Report Date
E. Crested Junction - Federal MSC #26-1				Union #7	24	17	11/3/2004	Nov 10, 2004	Nov 27, 2004
MD	TVD	Footage	A/E No.	A/E Amount	Auth. TD.	Company Representative			
6,617	6,617	259		\$958,000		8,700'	Carl Hulslander		
Present Operation				Rig Phone:	435-220-0999		Toolpusher		
Drilling				Rig Fax:	435-220-0999		Conrad Tenney		

Current Weather	BLM Visit		NPDES		People on Loc.:	15	Last BOP Test Date	RIG ELEVATIONS	
Wind:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<u>LC50 Sample Date</u>		Operator	1	11/11/2004	RKB	15 ft
Seas:	Problem?	<input type="checkbox"/> Yes			Contractor	11	Next BOP Test Date	Water Depth	ft
Skv:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Pass?	<input type="checkbox"/> Yes <input type="checkbox"/> No	Service	3	12/11/04	RKB-CHF	ft

CASING RECORD

[illegible]

BIT WEIGHT, SPEED AND HYDRAULICS RECORD

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD														
BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
7	8 3/4	HTC GTS 28	5063683	16,16,16	6,330'	287'	26 1/2	30/35	70/85	10.8				
Bit Remarks:				Cum. ROT, Hrs	PU Wt		SO Wt		ROT Wt		Torque			
				206.5	140		132		122					
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP			Pump #1	Pump #2	Pump #3
1	9 x 6	3.15	120	378	1250	198		196	138	1/2	61	320		
2	9 x 6	3.15								3/4	120	1250		

BHA

Length:	577	Description:	bit (1'), BS (3.23'), 12 - 6" DCs(335.88'), jars (30.68'), 6 - 6" DCs (179.87')

MUD DATA

MUD DATA																
	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT	9.1	47	14	30.0	13/30	8.8	2.0	2	5.5			0.25	13.5	8	0.2	.001/1.3
	Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer		Mud Company				
PIT	12000		300		111	#1	#2	Desand	Cent.	Jon Lyman		M-I				
	2.2 % KCL				145	145		24								
						#3	#4	Desilt	Mud Cl	Daily Cost		Cumulative Cost				
						145	255		24	\$2,450		\$45,770				

DIRECTIONAL SURVEYS

DIRECTIONAL SURVEYS							
MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

TIME				Boats:		Supply Boat Name:		Status:		
FROM	TO	HOURL	Time Code	Crew Boat Name:		Status:				
0600	0130	19.5	5	Drill 6358' to 6571'				Time Summary		
0130	0200	0.5	17	Service rig. Function test BOPs				Activity	Daily	Cum.
0200	0600	4.0	5	Drill 6571' to 6617'				1. Mob/DeMob		8
								2. Cement		2.5
								3. Circulate		28
				BLM visit, Jack Johnson, inspected operations. No problems.				4. Directional Work		
								5. Drilling	23.5	247
								6. Drive Pipe		
								7. Fishing		
								8. OH Logging		
								9. Lost Circ.		
								10. Drill Cmt./LOT		2
								11. N.U./ N.D.		9
								12. P.U./L.D. BHA		4
				Mancos Shale Surface	Dakota Silt 2466'			13. P.U./L.D. Pipe		
				Dakota Sandstone 2500'	Cedar Mountain 2656'			14. R/U; R/D		30
				Bushy Basin 2778'	Salt Wash 3067'			15. Rig Repair		
				Moab Tongue 3420'	Entrada (Earthy Member) 3464'			16. Run Casing		2
				Entrada Slick Rock 3573'	Carmel 3972'			17. Service Rig	0.5	7
				Navajo 4120'	Kayenta 4592'			18. Sidetrack Op.		
				Wingate 4806'	Chinle 5180'			19. Stuck Pipe		24
				Shinarump 5585'	Moenkopi 5596'			20. Survey		9
				Moenkopi Sinbad				21. Trips		60.5
								22. Tst. BOPs		5
				BKG = 3 - 30 u				23. UR/HO		
				Conn = 0 u				24. W.O.W.		
				Trip = 0 u				25. Wash & Ream		8.5
				Max Form. Gas = 0 u				26. Well Control		
				One new show				27. WOC		6
				13 - 6410' to 6420' (10') before 5 u, during 28 u, after 28u				28. Other		34.5
								Total	24	487
Total Hours		24.0								
Rig Downtime		Fuel Usage			Bulk Material on Board			Previous Cost \$634,289		
Daily		Daily	840	Gals	Cement:	sx	Daily Cost \$19,405			
Cum.		Cum.	14778	Gals	Barite:	sx	Cum. Cost \$653,694			

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MSC Exploration Daily Drilling Report

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Union #7		DOL 25	DFS 18	Date on Location 11/3/2004		Spud Date Nov 10, 2004		Report Date Nov 28, 2004			
MD 6,825	TVD 6,825	Footage 208	AFE No.		AFE Amount \$958,000		Auth. TD. 8,700'		Company Representative Carl Hulslander						
Present Operation Drilling					Rig Phone: Rig Fax:		435-220-0999 435-220-0999			Toolpusher Conrad Tenney					
Current Weather		BLM Visit		NPDES		People on Loc.:		15		Last BOP Test Date		RIG ELEVATIONS			
Wind:		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		LC50 Sample Date		Operator		1		11/11/2004		RKB 15 ft			
Seas:		Problem? <input type="checkbox"/> Yes				Contractor		11		Next BOP Test Date		Water Depth ft			
Sky:		<input type="checkbox"/> No		Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service		3		12/11/04		RKB-CHF ft			
CASING RECORD															
Casing String		OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD TVD		Liner Top MD TVD		MW when Run	Pres	LOT EMW	Leakoff?	
Conductor		16"		LP		1	37' 37'				Air				
Surface		9 5/8"	32.3	H40	STC	12	534' 534'				Air				
BIT, WEIGHT, SPEED AND HYDRAULICS RECORD															
BIT No	Size	Bit Type and Manufacturer		Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade Tooth Bearing Gage			
7	8 3/4	HTC GTS 28		5063683	16,16,16	6,330'	495'	49 1/2	30/35	70/85	10.0				
Bit Remarks:					Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt		Torque					
					270	148	138	128							
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV DC DP		Speed 1/4	SPM	Slow Pump Pressures Pump #1 Pump #2 Pump #3			
1	9 x 6	3.15	120	378	1230	198		196 138		1/2	63	357			
2	9 x 6	3.15								3/4					
BHA															
Length: 577		Description: bit (1'), BS (3.23'), 12 - 6" DCs(335.88'), jars (30.68'), 6 - 6" DCs (179.87')													
MUD DATA															
WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pt/Mf
PIT	9.1	46	13	30.0	16/30	9.0		2	5.5		0.25	12.4	8.2	0.2	.001/1.4
Chlorides		Ca++	Smpl Temp	F.L Temp	Shaker Screens		Hours		Mud Engineer		Mud Company				
12000		300		115	#1 #2		Desand Cent.		Jon Lyman		M-1				
2.2 % KCL					145 145		24		Daily Cost		Cumulative Cost				
					#3 #4		Desilt Mud Cl								
					145 255		24		\$4,176		\$49,946				
DIRECTIONAL SURVEYS															
MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE								
6653	6653	3.25 °													
OPERATIONS SUMMARY															
TIME		Time Code	Boats:	Supply Boat Name:		Status:									
FROM	TO			Crew Boat Name:		Status:									
0600	1400	8.0	5	Drill 6617' to 6695'		Time Summary									
1400	1430	0.5	20	Survey 6653' - 3.25 deg		Activity Daily Cum.									
1430	1500	0.5	17	Service rig. Function BOPs		1. Mob/DeMob 8									
1500	0600	15.0	5	Drill 6695- to 6825'		2. Cement 2.5									
						3. Circulate 28									
						4. Directional Work									
						5. Drilling 23 270									
						6. Drive Pipe									
						7. Fishing									
						8. OH Logging									
						9. Lost Circ.									
						10. Drill Cmt./LOT 2									
						11. N.U./N.D. 9									
						12. P.U./L.D. BHA 4									
						13. P.U./L.D. Pipe									
				Mancos Shale Surface Dakota Silt 2466'		14. R/U; R/D 30									
				Dakota Sandstone 2500' Cedar Mountain 2656'		15. Rig Repair									
				Bushy Basin 2778' Salt Wash 3067'		16. Run Casing 2									
				Moab Tongue 3420' Entrada (Earthy Member) 3464'		17. Service Rig 0.5 7.5									
				Entrada Slick Rock 3573' Carmel 3972'		18. Sidetrack Op.									
				Navajo 4120' Kayenta 4592'		19. Stuck Pipe 24									
				Wingate 4806' Chinle 5180'		20. Survey 0.5 9.5									
				Shinarump 5585' Moenkopi 5596'		21. Trips 60.5									
						22. Tst. BOPs 5									
				BKG = 3 - 30 u		23. UR/HO									
				Conn = 0 u		24. W.O.W.									
				Trip = 0 u		25. Wash & Ream 8.									

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MSC Exploration Daily Drilling Report

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Union #7	DOL 26	DFS 19	Date on Location 11/3/2004	Spud Date Nov 10, 2004	Report Date Nov 29, 2004
MD 7,075	TVD 7,075	Footage 250	AFE No.	AFE Amount \$958,000	Auth. TO: 8,700'	Company Representative Carl Hulslander			
Present Operation Drilling				Rig Phone: 435-220-0999	Toolpusher Conrad Tenney				
				Rig Fax: 435-220-0999					

Current Weather	BLM Visit <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	NPDES	People on Loc.: 15	Last BOP Test Date 11/11/2004	RIG ELEVATIONS	
Wind:	LC50 Sample Date	Operator 1			RKB 15 ft	
Seas:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No	Contractor 11	Next BOP Test Date 12/11/04	Water Depth ft		
Sky:	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service 3			RKB-CHF ft	

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD TVD	Liner Top MD TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	16"		LP		1	37' 37'		Air			
Surface	9 5/8"	32.3	H40	STC	12	534' 534'		Air			

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade Tooth Bearing Gage		
7	8 3/4	HTC GTS 28	5063683	16,16,16	6,330'	745'	71 1/2	30/35	80/90	10.4			
Bit Remarks:					Cum. ROT. Hrs 270	PU Wt 144	SO Wt 136	ROT Wt 133	Torque				
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV DC DP	Speed	SPM	Slow Pump Pressures Pump #1 Pump #2 Pump #3		
1	9 x 6	3.15	120	378	1200	199		198 140	1/2	55	320		
2	9 x 6	3.15							3/4				

BHA	Length: 577	Description: bit (1'), BS (3.23'), 12 - 6" DCs(335.88'), jars (30.68'), 6 - 6" DCs (179.87')
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MUD DATA	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT	8.9	41	11	24.0	18/34	9.1		2	4			0.25	11.7	11.3	0.2	.001/1.4
Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer		Mud Company					
PIT	12000	280		116	#1	#2	Desand	Cent.	Jon Lyman		M-I					
	2.2 % KCL				145	145	24									
					#3	#4	Desilt	Mud Cl	Daily Cost		Cumulative Cost					
					145	255	24	\$2,740			\$52,686					

DIRECTIONAL SURVEYS	MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY									
TIME		Time Code	Boats:	Supply Boat Name:	Status:				
FROM	TO	HOUR	Crew Boat Name:	Status:					
0600	2200	16.0	5	Drill from 6822' to 7005'					
2200	2230	0.5	17	Service rig					
2230	0430	6.0	5	Drill from 7005' to 7075'					
0430	0530	1.0	3	Mix pill. Survey tool would not function properly.					
0530	0600	0.5	21	Pump pill. TOOH					
					Time Summary				
					Activity				
					Daily				
					Cum.				
					1. Mob/DeMob	8			
					2. Cement	2.5			
					3. Circulate	1 29			
					4. Directional Work				
					5. Drilling	22 292			
					6. Drive Pipe				
					7. Fishing				
					8. OH Logging				
					9. Lost Circ.				
					10. Drill Cmt./LOT	2			
					11. N.U./N.D.	9			
					12. P.U./L.D. BHA	4			
					13. P.U./L.D. Pipe				
					14. R/U; R/D	30			
					15. Rig Repair				
					16. Run Casing	2			
					17. Service Rig	0.5 8			
					18. Sidetrack Op.				
					19. Stuck Pipe	24			
					20. Survey	9.5			
					21. Trips	0.5 61			
					22. Tst. BOPs	5			
					23. UR/HO				
					24. W.O.W.				
					25. Wash & Ream	8.5			
					26. Well Control				
					27. WOC	6			
					28. Other	34.5			
					Total	24 535			
Total Hours		24.0							
Rig Downtime				Fuel Usage	Bulk Material on Board				
Daily	Daily	924	Gals	Cement:	sx				
Cum.	Cum.	16626	Gals	Barite:	sx				
				Previous Cost	\$674,568				
				Daily Cost	\$19,438				
				Cum. Cost	\$694,006				

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DIV. OF OIL, GAS & MINING

MSC Exploration Daily Drilling Report

Block Lease and Well No. E. Crested Junction - Federal MSC #26-1						Contract Rig Union #7		DOL 27	DFS 20	Date on Location 11/3/2004	Spud Date Nov 10, 2004	Report Date Nov 30, 2004				
MD 7,125	TVD 7,125	Footage 50	AFE No.	AFE Amount \$958,000	Auth/TD.	Company Representative Carl Hulslander										
Present Operation Drilling				Rig Phone: Rig Fax:	435-220-0999 435-220-0999				Toolpusher Conrad Tenney							
Current Weather		BLM Visit		NPDES		People on Loc.:		15	Last BOP Test Date		RIG ELEVATIONS					
Wind:		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		LC50 Sample Date		Operator		1	11/11/2004		RKB 15 ft					
Seas:		Problem? <input type="checkbox"/> Yes				Contractor		11	Next BOP Test Date		Water Depth ft					
Sky:		<input type="checkbox"/> No <input type="checkbox"/> Pass?		<input type="checkbox"/> Yes <input type="checkbox"/> No		Service		3	12//11/04		RKB-CHF ft					
CASING RECORD																
Casing String		OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD TVD		Liner Top MD TVD		MW when Run	Pres	LOT EMW	Leakoff?		
Conductor		16"		LP		1	37' 37'				Air					
Surface		9 5/8"	32.3	H40	STC	12	534' 534'				Air					
BIT, WEIGHT, SPEED AND HYDRAULICS RECORD																
BIT No	Size	Bit Type and Manufacturer		Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade Tooth Bearing Gage				
7	8 3/4	HTC GTS 28		5063683	16,16,16	6,330'	745'	71 1/2			10.4	8	5	1/16		
8	8 3/4	HTC HRS 40D		zx41zs	16,16,16	7,075'	50'	7 1/2	35	80/90	6.7					
Bit Remarks:					Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt		Torque						
					270	144	136	133								
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV DC DP		Speed	SPM	Slow Pump Pressures Pump #1 Pump #2 Pump #3				
1	9 x 6	3.15	120	378	960	203		201 140		1/2	55	320				
2	9 x 6	3.15								3/4						
BHA																
Length: 577		Description: bit (1'), BS (3.23'), 12 - 6" DCs(335.88'), jars (30.68'), 6 - 6" DCs (179.87')														
MUD DATA																
	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT	9.1	40	9	23.0	17/22	8.6		2	5.5			0.25	12.3	8.4	0.2	.01/1.4
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer			Mud Company				
PIT	12000	300		116	#1	#2	Desand	Cent.	Jon Lyman			M-I				
	2.2% KCL				145	145	Desilt	Mud Cl	Daily Cost			Cumulative Cost				
					145	255		24	\$1,797			\$54,483				
DIRECTIONAL SURVEYS																
MD	TVD	ANGLE		Direction		Coordinates		VS		DL	CLOSURE					
7051	7051	3.25 °														
OPERATIONS SUMMARY																
TIME FROM TO		HOURL	Time Code	Boats:		Supply Boat Name:		Status:								
						Crew Boat Name:		Status:								
0600	1200	6.0	21	TOOH		Time Summary Activity Daily Cum.										
1200	1400	2.0	15	Thaw lines. Work on boiler												
1400	1430	0.5	17	Service rig		1. Mob/DeMob 8										
1430	2130	7.0	21	TIH. No fill		2. Cement 2.5										
2130	0130	4.0	5	Drill 7075' to 7099'		3. Circulate 29										
0130	0230	1.0	20	Survey 7051' - 3.25 deg		4. Directional Work										
0230	0600	3.5	5	Drill 7099' to 7125'		5. Drilling 7.5 299.5										
						6. Drive Pipe										
						7. Fishing										
						8. OH Logging										
						9. Lost Circ.										
						10. Drill Cmt./LOT 2										
						11. N.U./N.D. 9										
						12. P.U./L.D. BHA 4										
						13. P.U./L.D. Pipe										
				Mancos Shale Surface Dakota Silt 2466'		14. R/U; R/D 30										
				Dakota Sandstone 2500' Cedar Mountain 2656'		15. Rig Repair 2 2										
				Bushy Basin 2778' Salt Wash 3067'		16. Run Casing 2										
				Moab Tongue 3420' Entrada (Earthy Member) 3464'		17. Service Rig 0.5 8.5										
				Entrada Slick Rock												

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DIV. OF OIL, GAS & MINING

MSC Exploration Daily Drilling Report

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Union #7	DOL 28	DFS 21	Date on Location 11/3/2004	Spud Date Nov 10, 2004	Report Date Dec 1, 2004
MD 7,206	TVD 7,206	Footage 81	AFE No.	AFE Amount \$958,000	Auth. TD.	Company Representative Carl Hulslander			
Present Operation Fishing				Rig Phone: Rig Fax:	435-220-0999 435-220-0999	Toolpusher Conrad Tenney			

Current Weather	BLM Visit <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	NPDES LC50 Sample Date	People on Loc.: Operator	16 1	Last BOP Test Date 11/11/2004	RIG ELEVATIONS RKB 15 ft			
Wind:	Problem? <input type="checkbox"/> Yes		Contractor	11	Next BOP Test Date	Water Depth ft			
Seas:	<input type="checkbox"/> No	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service	4	12/11/04	RKB-CHF ft			
Sky:									

CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting MD	Depth TVD	Liner Top MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	16"		LP		1	37'	37'			Air			
Surface	9 5/8"	32.3	H40	STC	12	534'	534'			Air			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade		
8	8 3/4	HTC HRS 40D	zx41zs	16,16,16	7.075'	131'	16 1/2	35	80/90	7.9	Tooth	Bearing	Gage
Bit Remarks:				Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque					
				307	144	136	133						
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV	Speed	SPM	Slow Pump Pressures		
								DC DP	1/4		Pump #1	Pump #2	Pump #3
1	9 x 6	3.15	120	378	950	203		201	140	1/2	55	320	
2	9 x 6	3.15							3/4				

BHA

Length: 577	Description: bit (1'), BS (3.23'), 12 - 6" DCs(335.88'), jars (30.68'), 6 - 6" DCs (179.87')
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MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pt/Mf
PIT	9.1	35	12	15.0	11/22	9.0		2	5.5			0.25	12.6	8.3	0.2	.01/1.4
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer	Mud Company								
PIT	11000	300		115	#1 #2 Desand Cent.		Jon Lyman	M-I								
	2% KCL				145 145 Desilt Mud Cl	24	Daily Cost	Cumulative Cost								
					145 220	24	\$2,868	\$57,351								

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

OPERATIONS SUMMARY				Boats:		Supply Boat Name:		Status:		
TIME		HOUR	Time Code	Crew Boat Name:				Status:		
FROM	TO									
0600	1500	9.0	5	Drill 7125' to 7206'. Lost 500 psi. Lost 25K string weight. Wt loss indicates separation in top 1/3 of BHA				Time Summary		
								Activity	Daily	Cum.
1500	1600	1.0	3	Circulate hole				1. Mob/DeMob		8
1600	2100	5.0	7	TOOH. Entire BHA left in hole. Drill pipe washed out and parted 29' above top DC				2. Cement		2.5
								3. Circulate	1	30
2100	0100	4.0	7	WO fishing tools				4. Directional Work		
0100	0230	1.5	7	Strap and PU fishing tools. PU grapple				5. Drilling	9	308.5
0230	0600	3.5	7	TIH with grapple				6. Drive Pipe		
								7. Fishing	14	14
				BLM Activity				8. OH Logging		
				Rich McClure very please with rehab on Cactus Rose access				9. Lost Circ.		
				Jack Johnson threatened to shut down drilling if permit is not been approved				10. Drill Cmt./LOT		2
								11. N.U./N.D.		9
								12. P.U./L.D. BHA		4
				Mancos Shale Surface Dakota Silt 2466'				13. P.U./L.D. Pipe		
				Dakota Sandstone 2500' Cedar Mountain 2656'				14. R/U; R/D		30
				Bushy Basin 2778' Salt Wash 3067'				15. Rig Repair		2
				Moab Tongue 3420' Entrada (Earthy Member) 3464'				16. Run Casing		2
				Entrada Slick Rock 3573' Carmel 3972'				17. Service Rig		8.5
				Navajo 4120' Kayenta 4592'				18. Sidetrack Op.		
				Wingate 4806' Chinle 5180'				19. Stuck Pipe		24
				Shinarump 5585' Moenkopi 5596'				20. Survey		10.5
				White Rim 6868'				21. Trips		74
								22. Tst. BOPs		5
				BKG = 8 - 26 u				23. UR/HO		
				Conn = 0 u				24. W.O.W.		
				Trip = 0 u				25. Wash & Ream		8.5
				Max Form. Gas = 0 u				26. Well Control		
				One new shows				27. WOC		6
				16- 7040' to 7070' (30') Bright yellow flash, visible brown oil				28. Other		34.5
Total Hours		24.0						Total	24	583
Rig Downtime			Fuel Usage		Bulk Material on Board		Previous Cost		\$723,775	
Daily		Daily	966	Gals	Cement:	sx	Daily Cost		\$23,945	
Cum.		Cum.	18348	Gals	Barite:	sx	Cum. Cost		\$747,720	

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DIV. OF OIL, GAS & MINING

DATE: 12/02/04 REPORT #: 22 DAY#: 23

PRESENT OPERATION: T.I.H.

6:00 AM DEPTH: 7,206' MADE 0' / 0 HRS DRLG AVG RATE: 0

LITHOLOGY @ 7,200' SAND STONE 65 % Ss 30 % OTHER 5 %

FORMATION:	MANCOS SHALE	SURFACE
	DAKOTA SILT	2,366'
	DAKOTA SANDSTONE	2,500'
	CEDAR MOUNTAIN	2,656'
	BRUSHY BASIN	2,778'
	SALT WASH	3,046'
	MOAB TONGUE	3,420'
	ENTRADA (EARTHY MEM.)	3,464'
	ENTRADA SLICK ROCK	3,573'
	CARMEL	3,972'
	NAVAJO	4,120'
	KAYENTA	4,592'
	WINGATE	4,806'
	CHINLE	5,180'
	SHINARUMP	5,585'
	MOENKOPI	5,590'
	MOENKOPI (SINBAD)	6,552'
	WHITE RIM	6,868'

GAS: BKG: 0 U
 CONN: 0 U
 TRIP: 0 U
 MAX FORMATION GAS: 0 U

DRILLING PARAMETERS: WOB: 0, RPM: 0, PSI: 0, SPM: 0 #2 PUMP

MUD PROPERTIES: WT: 8.9 VIS: 34

BIT DATA
 BIT # 6 8 3/4 HTC 6FS28

SHOW INFORMATION:

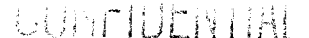
NO. #	INTERVAL TO	(NET)	DRILL RATE			GAS UNITS			MUD WT IN / OUT
			B	D	A	B	D	A	
13	6,410' - 6,420'	10'	6.6	2.7	6.1	5	28	28	8.8 / 8.9
14	6,510' - 6,560'	50'	6.2	4.2	5.3	YEL CUT			9.1 / 9.1
15	6,866' - 7,000'	134'	7.1	3.0	3.5	YEL CUT (BL YEL CUT)			9.1 / 9.1
16	7,040' - 7,070'	30'	3.4	3.6	10.4	BR YEL FLASH, VIS BR OIL			9.1 / 9.1

COMMENTS: 0 NEW SHOW. RECOVERED FISH, INSPECTING COLLARS.

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<u>Block, Lease and Well No.</u> E. Crested Junction - Federal MSC #26-1				<u>Contract Rig</u> Union #7	<u>DOL</u> 30	<u>DFS</u> 23	<u>Date on Location</u> 11/3/2004	<u>Spud Date</u> Nov 10, 2004	<u>Report Date</u> Dec 3, 2004
<u>MD</u> 7,206	<u>TVD</u> 7,206	<u>Footage</u>	<u>AFE No.</u>	<u>AFE Amount</u> \$958,000	<u>Auth. TD.</u> 8,700'	<u>Company Representative</u> Carl Hulslander			
<u>Present Operation</u> TIH				<u>Rig Phone:</u> <u>Rig Fax:</u>	435-220-0999 435-220-0999		<u>Toolpusher</u> Conrad Tenney		

CASING RECORD

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BHA

MUD DATA

	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer		Mud Company
PIT	11500	300			#1	#2	Desand	Cent.			M-I
	2% KCL				145	145		24	Jon Lyman		Cumulative Cost
					#3	#4	Desilt	Mud Cl	Daily Cost		\$61,059
					145			24	\$824		

DIRECTIONAL SURVEYS

OPERATIONS SUMMARY

[illegible]

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MSC Exploration Daily Drilling Report

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Union #7	DOI 31	DFS 24	Date on Location 11/3/2004	Spud Date Nov 10, 2004	Report Date Dec 4, 2004
MD 7,329	TVD 7,329	Footage 123	AFE No.	AFE Amount \$958,000	Auth. TO	Company Representative Carl Hulslander			
Present Operation Drilling				Rig Phone: 435-220-0999	Rig Fax: 435-220-0999		Toolpusher Conrad Tenney		

Current Weather	BLM Visit <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	NPDES LC50 Sample Date	People on Loc.: 15	Last BOP Test Date 11/11/2004	RIG ELEVATIONS				
Wind:	Problem? <input type="checkbox"/> Yes		Operator 1	Next BOP Test Date 12/11/04	RKB 15 ft				
Seas:			Contractor 11		Water Depth ft				
Sky:	<input checked="" type="checkbox"/> No Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service 3		RKB-CHF ft				

CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD	TVD	Liner Top MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	16"		LP		1	37'	37'			Air			
Surface	9 5/8"	32.3	H40	STC	12	534'	534'			Air			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD														
BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
9	8 3/4	STC F59YPS	MW8714	15,15,16	7,206'	123'	11 1/2	25/39	75/80	10.7				
Bit Remarks:					Cum. ROT Hrs	PU Wt	SO Wt	ROT Wt	Torque					
					318.5	144	136	133						
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP			Pump #1	Pump #2	Pump #3
1	9 x 6	3.15	120	378	1280	215		196	138	1/2	45	330		
2	9 x 6	3.15								3/4				

BHA

Length: 533.12	Description: bit (1'), BS (4.23'), 18 - 6" DCs(528.29')

MUD DATA

MUD DATA																
	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT	8.8	33	10	14.0	9/19	9.3		2	4			0.25	12.2	8.3	0.2	.01/1.45
	Chlorides		Ca++		Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer			Mud Company		
PIT	11000		300				#1	#2	Desand	Cent.			M-I			
	2% KCL						145	145		24	Jon Lyman		Cumulative Cost			
							#3	#4	Desilt	Mud Cl	Daily Cost					
							145		24		\$1,900		\$62,959			

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

TIME		HOUR	Time Code	Boats:	Supply Boat Name:	Crew Boat Name:	Status:	
FROM	TO						Status:	Status:
0600	0630	0.5	3	Load pipe circulate hole			Time Summary	
0630	0900	2.5	21	TIH with bit #9				
0900	1000	1.0	25	PU 5 jts. Wash and ream 7055' - 7206'			Activity	Daily
1000	1030	0.5	17	Service rig				Cum.
1030	1930	9.0	5	Drilling 7206' to 7298'			1. Mob/DeMob	8
1930	2030	1.0	28	Pump pressure @ 1300 hrs=1300 psi, dropped to 1000 psi @ 1930 hrs			2. Cement	2.5
				Switched pumps. No change. Pumped flag. Pressured to 1275 psi @ 2850'.			3. Circulate	0.5
							4. Directional Work	32
							5. Drilling	11.5
							6. Drive Pipe	320
2030	2330	3.0	21	TOOH looking for flag. Hole in joint #99. LD bad jt.			7. Fishing	27
2330	0230	3.0	21	TIH			8. OH Logging	
0230	0330	1.0	25	Wash and ream 42' to bottom. Work on pump #2			9. Lost Circ.	
0330	0600	2.5	5	Drill 7298' - 7329'			10. Drill Cmt./LOT	2
							11. N.U./N.D.	9
				All work requested by BLM on Cactus Rose road has been completed.			12. P.U./L.D. BHA	4
							13. P.U./L.D. Pipe	
				Mancos Shale Surface	Dakota Silt 2466'		14. R/U; R/D	30
				Dakota Sandstone 2500'	Cedar Mountain 2656'		15. Rig Repair	2
				Bushy Basin 2778'	Salt Wash 3067'		16. Run Casing	2
				Moab Tongue 3420'	Entrada (Earthy Member) 3464'		17. Service Rig	0.5
				Entrada Slick Rock 3573'	Carmel 3972'		18. Sidetrack Op.	11
				Navajo 4120'	Kayenta 4592'		19. Stuck Pipe	24
				Wingate 4806'	Chinle 5180'		20. Survey	10.5
				Shinarump 5585'	Moenkopi 5596'		21. Trips	8.5
				White Rim 6868'			22. Tst. BOPs	104
							23. UR/HO	5
				BKG = 4 - 18 u			24. W.O.W.	
				Conn = 0 u			25. Wash & Ream	2
				Trip = 185 u			26. Well Control	10.5
				Max Form. Gas = 0 u			27. WOC	6
				No new shows			28. Other	1
							Total	45.5
Total Hours		24.0						24
								655
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost		\$812,719
Daily		Daily	1008 Gals	Cement:	sx	Daily Cost	\$20,849	
Cum.		Cum.	20936 Gals	Barite:	sx	Cum. Cost	\$833,568	

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MSC Exploration Daily Drilling Report

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Union #7		DOL 37	DFS 30	Date on Location 11/3/2004	Spud Date Nov 10, 2004	Report Date Dec 10, 2004
MD 7,452	TVD 7,452	Footage	AFE No.	AFE Amount \$958,000	Auth. TD.	8,700'		Company Representative Carl Hulslander		
Present Operation PU 3-1/2" DP				Rig Phone: 435-220-0999		435-220-0999		Toolpusher Conrad Tenney		

Current Weather	BLM Visit	NPDES	People on Loc.:	17	Last BOP Test Date	RIG ELEVATIONS	
Wind:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	LC50 Sample Date	Operator	1	11/11/2004	RKB 15 ft	
Seas:	Problem? <input type="checkbox"/> Yes		Contractor	11	Next BOP Test Date	Water Depth ft	
Sky:	<input type="checkbox"/> No <input type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service	5	12/11/04	RKB-CHF ft	

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD	TVD	Liner Top MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	16"		LP		1	37'	37'			Air			
Surface	9 5/8"	32.3	H40	STC	12	534'	534'			Air			
Intermediate/Production	7"	23	P110	LTC	14	7,455'	7,455'			8.8			
Intermediate/Production	7"	26	L80	LTC	156	6,839'	6,839'			8.8			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD													
BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade		
											Tooth	Bearing	Gage
Bit Remarks:					Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque				
					335.5								
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures	
											Pump #1	Pump #2	Pump #3
											DC	DP	1/4
1	9 x 6	3.15								1/2			
2	9 x 6	3.15								3/4			

BHA	
Length: 533.12	Description:

MUD DATA																
PIT	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pt/Mf
PIT	8.7	44	10	8.0	8/12	9.2		2	2.6			0.10	6.8	10	0.2	25/1.3
Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer	Mud Company								
PIT					#1	#2	Desand	Cent.	Jon Lyman				M-I			
					#3	#4	Desilt	Mud Cl	Daily Cost				Cumulative Cost			
									\$982				\$80,478			

DIRECTIONAL SURVEYS							
MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY									
TIME		Time	Boats:	Supply Boat Name:	Status:				
FROM	TO	HOURL	Code	Crew Boat Name:	Status:				
0600	0900	3.0	11	Nipple up BOP					
0900	1200	3.0	11	Change out pipe rams to 3.5". Unload 5" casing					
1200	1700	5.0	22	Test BOP. Blind and pipe rams, choke line, kill line, upper kelly, safety valve, choke manifold to 3000 psi for 10 mins & 250 psi for 5 mins. Good Annular tested to 1500 psi. Tested good.					
1700	1800	1.0	15	Work on pump #2					
1800	0000	6.0	3	Rebuild mud and volume. PU 4.75" DCs.					
0000	0600	6.0	21	PU 3 1/2" drill pipe. Standing back in derrick.					
				Mancos Shale Surface	Dakota Silt 2466'				
				Dakota Sandstone 2500'	Cedar Mountain 2656'				
				Bushy Basin 2778'	Salt Wash 3067'				
				Moab Tongue 3420'	Entrada (Earthy Member) 3464'				
				Entrada Slick Rock 3573'	Carmel 3972'				
				Navajo 4120'	Kayenta 4592'				
				Wingate 4806'	Chinle 5180'				
				Shinarump 5585'	Moenkopi 5596'				
				Moenkopi (Sinbad) 6552'	White Rim 6868'				
				BKG = 3 - 6 u					
				Conn = 0 u					
				Trip = 0 u					
				Max Form. Gas = 0 u					
				No new shows					
				28. Other	45.5				
Total Hours				24.0					
Rig Downtime		Fuel Usage		Bulk Material on Board					
Daily	Daily	800	Gals	Cement:	sx				
Cum.	Cum.	26407	Gals	Barite:	sx				
				Previous Cost	\$1,091,552				
				Daily Cost	\$25,797				
				Cum. Cost	\$1,117,349				

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MSC Exploration Daily Drilling Report

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Union #7		DOL 38	DFS 31	Date on Location 11/3/2004	Spud Date Nov 10, 2004	Report Date Dec 11, 2004
MD 7,455	TVD 7,455	Footage	AFE No.	AFE Amount \$958,000	Auth. TD. 8,700'	Company Representative Carl Hulslander				
Present Operation TIH				Rig Phone: 435-220-0999	Toolpusher Conrad Tenney					
				Rig Fax: 435-220-0999						

Current Weather	BLM Visit <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	NPDES LC50 Sample Date	People on Loc.: 21	Last BOP Test Date 11/11/2004	RIG ELEVATIONS	
Wind:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No	Operator 1	Contractor 11	Next BOP Test Date 12/11/04	RKB 15 ft	Water Depth ft
Seas:	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service 9	RKB-CHF ft			

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD TVD	Liner Top MD TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	16"		LP		1	37' 37'		Air			
Surface	9 5/8"	32.3	H40	STC	12	534' 534'		Air			
Intermediate/Production	7"	23	P110	LTC	14	7,455' 7,455'		8.8			
Intermediate/Production	7"	26	L80	LTC	156	6,839' 6,839'		8.8			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD													
BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade Tooth Bearing Gage		
10	6 1/8	HTC STX 30	5059973	open	7,452'								
Bit Remarks:					Cum. ROT Hrs 335.5	PU Wt	SO Wt	ROT Wt	Torque				
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV DC DP	Speed 1/4 1/2 3/4	SPM	Slow Pump Pressures Pump #1 Pump #2 Pump #3		
1	9 x 6	3.15											
2	9 x 6	3.15											

BHA													
Length:	647.38	Description:	bit (.75"), BS (3.70"), 12 -4.75" DCs(366.94"), bumper sub (16.1"), jars hyd (18.26"), 8 - 4.75" DCs (241.63")										

MUD DATA															
WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT	8.6	38	11	5.0	8/16	9.8	2	2			tr	4.5	10.5	0.3	4/1.3
Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer		Mud Company				
5000		100			#1	#2	Desand	Cent.	Jon Lyman		M-I				
1.5% KCL					145	145	Desilt	24	Daily Cost		Cumulative Cost				
					145				\$1,200		\$81,678				

DIRECTIONAL SURVEYS							
MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY									
TIME FROM TO		HOUR	Time Code	Boats:	Supply Boat Name:	Status:			
				Crew Boat Name:		Status:			
0600	0800	2.0	21	TOOH 3.5" DP and BHA			Time Summary		
0800	1000	2.0	21	TIH w/ BHA and bit # 10			Activity	Daily	Cum.
1000	1800	8.0	21	PU 3.5" with DP. TOOH standing back			1. Mob/DeMob		8
1800	1830	0.5	21	RD laydown machine			2. Cement		7.5
1830	2100	2.5	28	Change pump liners #2 from 6" to 4.5"			3. Circulate	1	69
2100	2300	2.0	21	PU DP 12jts. And tag DV @ 4203'			4. Directional Work		
2300	0000	1.0	28	Install air head and new rubbers			5. Drilling		335.5
0000	0100	1.0	3	Displace hole water to mud.			6. Drive Pipe		
0100	0330	2.5	10	Drill DV tool			7. Fishing		27
0330	0600	2.5	21	TIH			8. OH Logging		16
				Jack Johnson, BLM Moab office, notified of pending DST test. He authorized test without restrictions.			9. Lost Circ.		
							10. Drill Cmt./LOT	2.5	4.5
							11. N.U./N.D.		18.5
							12. P.U./L.D. BHA		4
				Mancos Shale Surface Dakota Silt 2466'			13. P.U./L.D. Pipe		9
				Dakota Sandstone 2500' Cedar Mountain 2656'			14. R/U; R/D		30
				Bushy Basin 2778' Salt Wash 3067'			15. Rig Repair		3
				Moab Tongue 3420' Entrada (Earthy Member) 3464'			16. Run Casing		19.5
				Entrada Slick Rock 3573' Carmel 3972'			17. Service Rig		11
				Navajo 4120' Kayenta 4592'			18. Sidetrack Op.		
				Wingate 4806' Chinle 5180'			19. Stuck Pipe		24
				Shinarump 5585' Moenkopi 5596'			20. Survey		10.5
				Moenkopi (Sinbad) 6552' White Rim 6868'			21. Trips	17	150
							22. Tst. BOPs		10
				BKG = 0 u			23. UR/HO		
				Conn = 0 u			24. W.O.W.		
				Trip = 0 u			25. Wash & Ream		11
				Max Form. Gas = 0 u			26. Well Control		
				No new shows			27. WOC		6
							28. Other	3.5	49
Total Hours							Total	24	823
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost	\$1,117,349		
Daily	Daily	714	Gals	Cement:	sx	Daily Cost	\$194,622		
Cum.	Cum.	27121	Gals	Barite:	sx	Cum. Cost	\$1,311,971		

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MSC Exploration Daily Drilling Report

Block Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Union #7	DOL 41	DFS 34	Date on Location 11/3/2004	Spud Date Nov 10, 2004	Report Date Dec 14, 2004
MD 7,603	TVD 7,603	Footage	AFE No.	AFE Amount \$958,000	Auth. TD	Company Representative 8,700' Carl Hulslander			
Present Operation TIH with bit				Rig Phone: 435-220-0999	Toolpusher Conrad Tenney		Rig Fax: 435-220-0999		

Current Weather	BLM Visit <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	NPDES LC50 Sample Date	People on Loc.: 19	Last BOP Test Date 11/11/2004	RIG ELEVATIONS	
Wind:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No	Operator 2	Contractor 11	Next BOP Test Date 12/11/04	RKB	15 ft
Seas:	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service 6	Water Depth ft		RKB-CHF	ft

CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD	TVD	Liner Top MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	16"		LP		1	37'	37'			Air			
Surface	9 5/8"	32.3	H40	STC	12	534'	534'			Air			
Intermediate/Production	7"	23	P110	LTC	14	7,455'	7,455'			8.8			
Intermediate/Production	7"	26	L80	LTC	156	6,839'	6,839'			8.8			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade		
10	6 1/8	HTC STX 30	5059973	13,13,13	7,452'	150'	12 1/2			12.0	Tooth	Bearing	Gage
Bit Remarks:				Cum. ROT. Hrs 335.5	PU Wt	SO Wt	ROT Wt	Torque					
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV DC DP	Speed 1/4 1/2 3/4	SPM	Slow Pump Pressures		
1	9 x 6	3.15									Pump #1	Pump #2	Pump #3
2	9 x 6	3.15	103	189	960	264		239 164					

BHA

Length: 647.38	Description: bit (.75"), BS (3.70"), 12 -4.75" DCs(366.94'), bumper sub (16.1'), jars hyd (18.26'), 8 - 4.75" DCs (241.63')
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MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pt/Mf
PIT	8.7	38	9	7.0	4/13	8.0		2	2.5			0.10	7	10	0.2	.25/1.1
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer	Mud Company								
PIT	10000	120		147	#1 #2 Desand Cent.		Jon Lyman	M-I								
	2% KCL				145 145 24		Daily Cost	Cumulative Cost								
					#3 #4 Desilt Mud Cl		\$2,183	\$85,789								

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

TIME		Time	Boats:	Supply Boat Name:	Status:
FROM	TO	Code	Crew Boat Name:		Status:
0600	1300	7.0	21	TOOH with DST tools.	
1300	1400	1.0	28	Break out tools. Load out DST tools	
1400	1530	1.5	17	Service rig. Pump, light plant and motors. Functioned BOP	
1530	2030	5.0	21	TIH to aerate drill. Received orders to terminate aerated drilling program.	
2030	0200	5.5	21	TOOH to put jets in bit	
0200	0300	1.0	15	Repair hydraulic line	
0300	0600	3.0	21	TIH with bit.	
			Time Summary		
			Activity	Daily	Cum.
			1. Mob/DeMob		8
			2. Cement		7.5
			3. Circulate		81
			4. Directional Work		
			5. Drilling		348
			6. Drive Pipe		
			7. Fishing		27
			8. OH Logging		16
			9. Lost Circ.		
			10. Drill Cmt./LOT		9
			11. N.U./N.D.		18.5
			12. P.U./L.D. BHA		4
			13. P.U./L.D. Pipe		9
			14. R/U; R/D		30
			15. Rig Repair	1	4
			16. Run Casing		19.5
			17. Service Rig	1.5	12.5
			18. Sidetrack Op.		
			19. Stuck Pipe		24
			20. Survey		10.5
			21. Trips	20.5	183.5
			22. Tst. BOPs		10
			23. UR/HO		
			24. W.O.W.		
			25. Wash & Ream		11
			26. Well Control		
			27. WOC		6
			28. Other	1	56
			Total	24	895
Total Hours		24.0			
Rig Downtime			Fuel Usage		Bulk Material on Board
Daily	Daily	882	Gals	Cement:	sx
Cum.	Cum.	30741	Gals	Barite:	sx
			Previous Cost		\$1,335,949
			Daily Cost		\$39,405
			Cum. Cost		\$1,375,354

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MSC Exploration Daily Drilling Report

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Union #7		DOL 43	DFS 36	Date on Location 11/3/2004	Spud Date Nov 10, 2004	Report Date Dec 16, 2004
MD 8,045	TVD 8,045	Footage 265	AFE No.	AFE Amount \$958,000	Auth: T9	Company Representative 8,700' Carl Hulslander				
Present Operation Drilling				Rig Phone: 435-220-0999		Toolpusher Conrad Tenney				
				Rig Fax: 435-220-0999						

Current Weather	BLM Visit	NPDES	People on Loc.:	15	Last BOP Test Date	RIG ELEVATIONS	
Wind: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	LC50 Sample Date	Operator	1	11/11/2004	RKB 15 ft	
Seas:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No		Contractor	11	Next BOP Test Date	Water Depth ft	
Sky:	<input type="checkbox"/> No <input type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service	3	12/11/04	RKB-CHF ft	

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth		Liner Top		MW when Run	Pres	LOT	Leakoff?
Conductor	16"		LP		1	37'	37'			Air			
Surface	9 5/8"	32.3	H40	STC	12	534'	534'			Air			
Intermediate/Production	7"	26	L80	LTC	156	6,839'	6,839'			8.8			
Intermediate/Production	7"	23	P110	LTC	14	7,455'	7,455'			8.8			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD													
BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade		
10	6 1/8	HTC STX 30	5059973	16,16,16	7,452'	593'	47 1/2	25	60	12.5	Tooth	Bearing	Gage
Bit Remarks:				Cum. ROT, Hrs	PU Wt	SO Wt	ROT Wt	Torque					
				335.5									
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures	
								DC	DP			Pump #1	Pump #2
1	9 x 6	3.15								1/4			
2	9 x 6	3.15	124	217	1725	636		287	197	3/4		531	

BHA													
Length:	647.38	Description:	bit (.75"), BS (3.70"), 12 - 4.75" DCs(366.94"), bumper sub (16.1"), jars hyd (18.26"), 8 - 4.75" DCs (241.63")										

MUD DATA																
	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT	8.7	43	17	18.0	10/18	7.4		2	2.6			0.20	7.8	11	0.3	6/1.6
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours	Mud Engineer	Mud Company							
PIT	10000	60		116	#1	#2	Desand	Cent.								
	2% KCL				180	180	24		Jon Lyman M-I							
					#3	#4	Desilt	Mud Cl	Daily Cost	Cumulative Cost						
					180	255	24		\$2,106	\$91,153						

DIRECTIONAL SURVEYS													
MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE						

OPERATIONS SUMMARY													
TIME		Time	Boats:	Supply Boat Name:	Status:								
FROM	TO	HOUR	Code	Crew Boat Name:	Status:								
0600	1000	4.0	5	Drill 7800' to 7843'									
1000	1030	0.5	17	Service rig. Function annulars. Change oil, light plant									
1030	0600	19.5	5	Drill 7843' to 8045'									
					Time Summary								
					Activity								
					Daily								
					Cum.								
					1. Mob/DeMob	8							
					2. Cement	7.5							
					3. Circulate	85.5							
					4. Directional Work								
					5. Drilling	23.5							
					6. Drive Pipe	387							
					7. Fishing	27							
					8. OH Logging	16							
					9. Lost Circ.								
					10. Drill Cmt./LOT	9							
					11. N.U./N.D.	18.5							
					12. P.U./L.D. BHA	4							
					13. P.U./L.D. Pipe	9							
					14. R/U; R/D	30							
					15. Rig Repair	4							
					16. Run Casing	19.5							
					17. Service Rig	0.5							
					18. Sidetrack Op.	13.5							
					19. Stuck Pipe								
					20. Survey	24							
					21. Moenkopi	10.5							
					22. Trips	186.5							
					23. Tst. BOPs	10							
					24. UR/HO								
					25. W.O.W.								
					26. Wash & Ream	11.5							
					27. Well Control								
					28. WOC	6							
					29. Other	56							
					Total	24							
					943								
Total Hours		24.0											
Rig Downtime			Fuel Usage	Bulk Material on Board	Previous Cost								
Daily	Daily	952	Gals	Cement:	\$1,405,031								
Cum.	Cum.	32869	Gals	Barite:	\$31,402								
					Cum. Cost								
					\$1,436,433								

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Block Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Union #7	DOL 1	DFS 1	Date on Location 12/18/2004	Completion Date Dec 18, 2004	Report Date Dec 19, 2004
MD 8,224	TVD 8,224	Footage	AFE No.	AFE Amount \$347,000	Auth. TD. 8,700'		Company Representative Carl Hulslander		
Present Operation Run Production Liner				Rig Phone: 435-220-0999	Rig Fax: 435-220-0999		Toolpusher Conrad Tenney		

Current Weather:	BLM Visit	NPDES	People on Loc.:	22	Last BOP Test Date	RIG ELEVATIONS			
Wind:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	LC50 Sample Date	Operator	1	12/11/2004	RKB	15	ft	
Seas:	Problem? <input type="checkbox"/> Yes		Contractor	11	Next BOP Test Date	Water Depth		ft	
Sky:	<input type="checkbox"/> No <input type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service	10		RKB-CHF		ft	

CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD	TVD	Liner Top MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	16"		LP		1	37'	37'			Air			
Surface	9 5/8"	32.3	H40	STC	12	534'	534'			Air			
Intermediate/Production	7"	26	L80	LTC	156	6,839'	6,839'			8.8			
Intermediate/Production	7"	23	P110	LTC	14	7,455'	7,455'			8.8			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth-In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade		
											Tooth	Bearing	Gage
Bit Remarks:				Cum. ROT. Hrs		PU Wt	SO Wt	ROT Wt	Torque				
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures	
								DC	DP	1/4		Pump #1	Pump #2
1	9 x 6	3.15								1/2		Pump #3	
2	9 x 6	3.15	124	217	1650	636		287	197	3/4			

BHA

Length:	Description:

MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT	8.8	55	18	28.0	10/29	6.7		2	3			0.15	8.6	10.55	0.25	.3/1.4

	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer	Mud Company	
PIT	10000	80		150	#1 #2 Desand Cent.	24	Clyde Bohnsack	M-I Drilling Fluids	
	2 % KCL				#3 #4 Desilt Mud Cl	Daily Cost		Cumulative Cost	
					180 255	24	\$53	\$53	

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

TIME		HOUR	Time Code	Boats:	Supply Boat Name:	Crew Boat Name:	Status:	
FROM	TO						Status:	
0100	0600	5.0	16	RU casers. Baker tools and computerized torque system			Time Summary	
				Run 801', 19 jts, 5", 28 #, P110, flush joint casing. Followed by CNC liner hanger, CXP liner top packer and setting tool.			Activity	Daily Cum.
							1. Mob/DeMob	
							2. Cement	
							3. Circulate	
							4. Directional Work	
							5. Drilling	
							6. Drive Pipe	
							7. Fishing	
							8. OH Logging	
							9. Lost Circ.	
							10. Drill Cmt./LOT	
							11. N.U./N.D.	
							12. P.U./L.D. BHA	
							13. P.U./L.D. Pipe	
							14. R/U; R/D	
							15. Rig Repair	
							16. Run Casing	5 5
							17. Service Rig	
							18. Sidetrack Op.	
							19. Stuck Pipe	
							20. Survey	
							21. Trips	
							22. Tst. BOPs	
							23. UR/HO	
							24. W.O.W.	
							25. Wash & Ream	
							26. Well Control	
							27. WOC	
							28. Other	
Total Hours		5.0					Total	5 5
Rig Downtime				Fuel Usage		Bulk Material on Board		Previous Cost
Daily	Daily			129	Gals	Cement:	sx	Daily Cost \$29,170
Cum.	Cum.			129	Gals	Barite:	sx	Cum. Cost \$29,170

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MSC Exploration Daily Completion Report

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Union #7	DOL 2	DFS 2	Date on Location 12/18/2004	Completion Date Dec 18, 2004	Report Date Dec 20, 2004
MD 8,224	TVD 8,224	Footage	AFE No.	AFE Amount \$347,000	Auth. TD. 8,700'	Company Representative Carl Hulslander			
Present Operation Laying down drill pipe				Rig Phone: 435-220-0999	Toolpusher Conrad Tenney				

Current Weather	BLM Visit	NPDES	People on Loc.: 20	Last BOP Test Date	RIG ELEVATIONS				
Wind: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	LC50 Sample Date	Operator 1	12/11/2004	RKB	15	ft		
Seas: Problem? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			Contractor 11	Next BOP Test Date	Water Depth		ft		
Sky: <input type="checkbox"/> No <input checked="" type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No			Service 8		RKB-CHF		ft		

CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD	Setting Depth TVD	Liner Top MD	Liner Top TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	16"		LP		1	37'	37'			Air			
Surface	9 5/8"	32.3	H40	STC	12	534'	534'			Air			
Intermediate/Production	7"	26	L80	LTC	156	6,839'	6,839'			8.8			
Intermediate/Production	7"	23	P110	LTC	14	7,455'	7,455'			8.8			
Production Liner	5"	18	P110	FJ	19	8224'	8224'	7,381'	7,381'	8.7			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade		
											Tooth	Bearing	Gage
Bit Remarks:				Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque					
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV	Speed	SPM	Slow Pump Pressures		
								DC DP	1/4		Pump #1	Pump #2	Pump #3
1	9 x 6	3.15							1/2				
2	9 x 6	3.15							3/4				

BHA

Length:	Description:

MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer									
PIT					#1 #2 Desand Cent.		Jon Lyman								M-I Drilling Fluids	
					#3 #4 Desilt Mud Cl		Daily Cost								Cumulative Cost	
															\$53	

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

TIME		HOUR	Time Code	Boats:	Supply Boat Name:	Crew Boat Name:	Status:	Time Summary		
FROM	TO							Activity	Daily	Cum.
0600	1230	6.5	16	Run 801', 19 jts, 5", 18 #, P110, flush joint casing, Baker CNC liner hanger, CXP liner top packer and setting tool. Filled liner every 25 stds				1. Mob/DeMob		
1230	1500	2.5	3	Circulate for cement. Set liner hanger @ 7381'. Released from liner				2. Cement	2	2
1500	1600	1.0	2	Cementing. Plug down Float held. Calc. @ displacement. Cement w/ 120 sx 50-50 Poz, Gel 6%, Halid 23 - 3%, Halid 322 - 3%, Zeraset - 2%				3. Circulate	2.5	2.5
				Super CBL - 1%, Good returns through out job. 10 bbls returned to surf.				4. Directional Work		
				Tested liner top to 1500 psi. OK				5. Drilling		
1600	1700	1.0	2	RD cementers and Baker tools				6. Drive Pipe		
1700	1800	1.0	21	RU laydown crew and equipment				7. Fishing		
1800	0600	12.0	13	TOOH laying down drill pipe				8. OH Logging		
								9. Lost Circ.		
								10. Drill Cmt./LOT		
								11. N.U./N.D.		
								12. P.U./L.D. BHA		
								13. P.U./L.D. Pipe	12	12
								14. R/U; R/D		
								15. Rig Repair		
								16. Run Casing	6.5	11.5
								17. Service Rig		
								18. Sidetrack Op.		
								19. Stuck Pipe		
								20. Survey		
								21. Trips	1	1
								22. Tst. BOPs		
								23. UR/HO		
								24. W.O.W.		
								25. Wash & Ream		
								26. Well Control		
								27. WOC		
								28. Other		
Total Hours		24.0						Total	24	29
Rig Downtime				Fuel Usage		Bulk Material on Board		Previous Cost \$29,170		
Daily	Daily			504	Gals	Cement:	sx	Daily Cost \$26,568		
Cum.	Cum.			633	Gals	Barite:	sx	Cum. Cost \$55,738		

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DIV. OF OIL, GAS & MINING

MSC Exploration Daily Completion Report

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Union #7		DOL 3	DFS 3	Date on Location 12/18/2004	Completion Date Dec 18, 2004	Report Date Dec 21, 2004			
MD 8,224	TVD 8,224	Footage	AFE No.	AFE Amount \$347,000		Auth. TD. 8,700'		Company Representative Carl Hulslander					
Present Operation Rigging Down				Rig Phone: Rig Fax:		435-220-0999 435-220-0999		Toolpusher Conrad Tenney					
Current Weather		BLM Visit		NPDES		People on Loc.:		12		Last BOP Test Date	RIG ELEVATIONS		
Wind:		<input type="checkbox"/> Yes <input type="checkbox"/> No		LC50 Sample Date		Operator		1		12/11/2004		RKB	15 ft
Seas:		Problem? <input type="checkbox"/> Yes				Contractor		11		Next BOP Test Date		Water Depth ft	
Sky:		<input type="checkbox"/> No		Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service						RKB-CHF ft	
CASING RECORD													
Casing String		OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD TVD		Liner Top MD TVD		MW when Run	Pres	LOT EMW Leakoff?
Conductor		16"		LP		1	37' 37'				Air		
Surface		9 5/8"	32.3	H40	STC	12	534' 534'				Air		
Intermediate/Production		7"	26	L80	LTC	156	6,839' 6,839'				8.8		
Intermediate/Production		7"	23	P110	LTC	14	7,455' 7,455'				8.8		
Production Liner		5"	18	P110	FJ	19	8224' 8224'		7,381' 7,381'		8.7		
BIT, WEIGHT, SPEED AND HYDRAULICS RECORD													
BIT No	Size	Bit Type and Manufacturer		Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade Tooth Bearing Gage	
Bit Remarks:						Cum. ROT Hrs	PU Wt	SO Wt	ROT Wt	Torque			
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV DC DP		Speed 1/4 1/2 3/4	SPM	Slow Pump Pressures Pump #1 Pump #2 Pump #3	
1	9 x 6	3.15								1/2			
2	9 x 6	3.15								3/4			
BHA													
Length:		Description:											
MUD DATA													
	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT pH Pm P1/Mf
PIT													
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer		Mud Company		
PIT					#1 #2	Desand Cent.			Jon Lyman		M-I Drilling Fluids		
					#3 #4	Desilt Mud Cl			Daily Cost		Cumulative Cost		
											\$53		
DIRECTIONAL SURVEYS													
MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE						
OPERATIONS SUMMARY													
TIME FROM TO		HOOR	Time Code	Boats: Supply Boat Name: Crew Boat Name:		Status: Status:		Time Summary Activity Daily Cum.					
0600	1200	6.0	14	Nipple down and clean mud tank Rig released at 1200 hrs. 12/20/04				1. Mob/DeMob 2 2. Cement 2.5 3. Circulate 4. Directional Work 5. Drilling 6. Drive Pipe 7. Fishing 8. OH Logging 9. Lost Circ. 10. Drill Cmt./LOT 11. N.U./N.D. 12. P.U./L.D. BHA 13. P.U./L.D. Pipe 12 14. R/U; R/D 6 6 15. Rig Repair 16. Run Casing 11.5 17. Service Rig 18. Sidetrack Op. 19. Stuck Pipe 20. Survey 21. Trips 1 22. Tst. BOPs 23. UR/HO 24. W.O.W. 25. Wash & Ream 26. Well Control 27. WOC 28. Other					
Total Hours		6.0											
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost		\$55,738					
Daily	Daily	198	Gals	Cement:		Daily Cost		\$58,909					
Cum.	Cum.	831	Gals	Barite:		Cum. Cost		\$114,647					

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MAY 25 2005

DIV. OF OIL, GAS & MINING

MSC Exploration
Daily Completion Report

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Union #7	DOL 4	DFS 4	Date on Location 12/18/2004	Completion Date Dec 18, 2004	Report Date Dec 22, 2004
MD	TVD	Footage	AFE No.	AFE Amount \$347,000	Auth. TD. 8,700'	Company Representative Carl Hulslander			
Present Operation				Rig Phone: 435-220-0999	Toolpusher Conrad Tenney				
				Rig Fax: 435-220-0999					

Current Weather	BLM Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS
Wind: <input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator	12/11/2004	RKB 15 ft
Seas: <input type="checkbox"/> Problem? <input type="checkbox"/> Yes	<input type="checkbox"/> No <input type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Contractor	Next BOP Test Date	Water Depth ft
Sky: <input type="checkbox"/> No <input type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No			Service		RKB-CHF ft

CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD	TVD	Liner Top MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	16"		LP		1	37'	37'			Air			
Surface	9 5/8"	32.3	H40	STC	12	534'	534'			Air			
Intermediate/Production	7"	26	L80	LTC	156	6,839'	6,839'			8.8			
Intermediate/Production	7"	23	P110	LTC	14	7,455'	7,455'			8.8			
Production Liner	5"	18	P110	FJ	19	8224'	8224'	7,381'	7,381'	8.7			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade Tooth Bearing Gage
Bit Remarks:				Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque			
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV DC DP	Speed 1/4 1/2 3/4	SPM	Slow Pump Pressures Pump #1 Pump #2 Pump #3
1	9 x 6	3.15									
2	9 x 6	3.15									

BHA

Length:	Description:

MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer	Mud Company								
PIT					#1 #2 Desand Cent.		Jon Lyman	M-I Drilling Fluids								
					#3 #4 Desilt Mud Cl	Daily Cost		Cumulative Cost								
								\$53								

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

TIME		Time Code	Boats:	Supply Boat Name:	Status:
FROM	TO				
0600	1800	12.0	RD Union #7	Crew Boat Name:	Status:
			Alpine satellite released and rigged down	Time Summary	
			Pason released	Activity	Daily Cum.
			Brandt centrifuge and mudcleaner released	1. Mob/DeMob	
			Kristy rentals - larger generator released	2. Cement	2
			Smith, Hughes and Reed bits returned	3. Circulate	2.5
			All used bits (5) stored by Treadway Tire.	4. Directional Work	
			3- 8 3/4" one usable, 1- 8 1/8" rerunable, 1- 12 1/4" button bit rerunable	5. Drilling	
			Trucks for 4 3/4" and 4 1/2" jars may get to location tonight	6. Drive Pipe	
			3 1/2" DP will be hauled back the 12/26	7. Fishing	
			Will leave 3 trailers on location and one Kristys generator	8. OH Logging	
				9. Lost Circ.	
				10. Drill Cmt./LOT	
				11. N.U./N.D.	
				12. P.U./L.D. BHA	
				13. P.U./L.D. Pipe	12
				14. R/U; R/D	6
				15. Rig Repair	
				16. Run Casing	11.5
				17. Service Rig	
				18. Sidetrack Op.	
				19. Stuck Pipe	
				20. Survey	
				21. Trips	1
				22. Tst. BOPs	
				23. UR/HO	
				24. W.O.W.	
				25. Wash & Ream	
				26. Well Control	
				27. WOC	
				28. Other	
Total Hours	12.0			Total	35
Rig Downtime			Fuel Usage	Bulk Material on Board	Previous Cost \$114,647
Daily	Daily		Gals	Cement: sx	Daily Cost \$30,095
Cum.	Cum.	831	Gals	Barite: sx	Cum. Cost \$144,742

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MSC Exploration Daily Completion Report

<u>Block, Lease and Well No.</u>				<u>Contract Rig</u>		<u>DOL</u>	<u>DFS</u>	<u>Date on Location</u>	<u>Completion Date</u>	<u>Report Date</u>
E. Crested Junction - Federal MSC #26-1				Union #7		6	6	12/18/2004	Dec 18, 2004	Dec 24, 2004
<u>MD</u>	<u>IVD</u>	<u>Footage</u>	<u>AFE No.</u>	<u>AFE Amount</u>		<u>Auth. TD.</u>		<u>Company Representative</u>		
8,224	8,224			\$347,000		8,700'		Carl Hulstander		
<u>Present Operation</u>				<u>Rig Phone:</u>		435-220-0999		<u>Toolpusher</u>		
RD Union Rig #7				<u>Rig Fax:</u>		435-220-0999		Conrad Tenney		

Current Weather	BLM Visit	NPDES	People on Loc.:	1	Last BOP Test Date	RIG ELEVATIONS
Wind:	<input type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator	1	12/11/2004	RKB 15 ft
Seas:	Problem? <input type="checkbox"/> Yes		Contractor		Next BOP Test Date	Water Depth ft
Sky:	<input type="checkbox"/> No	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service			RKB-CHF ft

CASING RECORD

[illegible]

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD														
BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
Bit Remarks:					Cum. ROT. Hrs	PU Wt		SO Wt		ROT Wt		Torque		
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP			Pump #1	Pump #2	Pump #3
1	9 x 6	3.15								1/2				
2	9 x 6	3.15								3/4				

BHA

[illegible]

MUD DATA

MOD DATA																
	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides		Ca++		Smp Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer			Mud Company		
PIT							#1	#2	Desand	Cent.	Jon Lyman		M-I Drilling Fluids			
							#3	#4	Desilt	Mud Cl	Daily Cost		Cumulative Cost			
													\$53			

DIRECTIONAL SURVEYS

[illegible]

OPERATIONS SUMMARY

TIME		HOUR	Time Code	Boats:	Supply Boat Name:	Status:
FROM	TO					
0600	0600			Rigging down Union Rig #7.		
				Removed BOP from substructure. Installed wellhead.		
				Moved out sand control equipment.		
				Moved mud tanks to fence pit		
					Time Summary	
					Activity	Daily Cum.
					1. Mob/DeMob	
					2. Cement	2
					3. Circulate	2.5
					4. Directional Work	
					5. Drilling	
					6. Drive Pipe	
					7. Fishing	
					8. OH Logging	
					9. Lost Circ.	
					10. Drill Cmt./LOT	
					11. N.U./N.D.	
					12. P.U./L.D. BHA	
					13. P.U./L.D. Pipe	12
					14. R/U; R/D	6
					15. Rig Repair	
					16. Run Casing	11.5
					17. Service Rig	
					18. Sidetrack Op.	
					19. Stuck Pipe	
					20. Survey	
					21. Trips	1
					22. Tst. BOPs	
					23. UR/HO	
					24. W.O.W.	
					25. Wash & Ream	
					26. Well Control	
					27. WOC	
					28. Other	
					Total	35
Total Hours						
Rig Downtime		Fuel Usage		Bulk Material on Board	Previous Cost	\$154,712
Daily	Daily	Gals	Cement:	sx	Daily Cost	\$9,970
Cum.	Cum.	831	Barite:	sx	Cum. Cost	\$164,682

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MSC Exploration Daily Completion Report

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Union #7	DOL 7	DFS 7	Date on Location 12/18/2004	Completion Date Dec 18, 2004	Report Date Dec 25, 2004
MD 8,224	TVD 8,224	Footage	AFE No.	AFE Amount \$347,000	Auth. TD. 8,700'	Company Representative Carl Hulslander			
Present Operation WO completion rig				Rig Phone: 435-220-0999	Rig Fax: 435-220-0999		Toolpusher Conrad Tenney		

Current Weather	BLM Visit	NPDES	People on Loc.:	1	Last BOP Test Date	RIG ELEVATIONS	
Wind:	<input type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator	1	12/11/2004	RKB	15 ft
Seas:	Problem? <input type="checkbox"/> Yes		Contractor		Next BOP Test Date	Water Depth	ft
Sky:	<input type="checkbox"/> No	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service			RKB-CHF	ft

CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting MD	Depth TVD	Liner Top MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	16"		LP		1	37'	37'			Air			
Surface	9 5/8"	32.3	H40	STC	12	534'	534'			Air			
Intermediate/Production	7"	26	L80	LTC	156	6,839'	6,839'			8.8			
Intermediate/Production	7"	23	P110	LTC	14	7,455'	7,455'			8.8			
Production Liner	5"	18	P110	FJ	19	8224'	8224'	7,381'	7,381'	8.7			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade Tooth Bearing Gage		
Bit Remarks:													
					Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt		Torque			
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV DC DP		Speed 1/4 1/2 3/4	SPM	Slow Pump Pressures Pump #1 Pump #2 Pump #3	
1	9 x 6	3.15											
2	9 x 6	3.15											

BHA

Length:	Description:

MUD DATA

WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT															
Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours	Mud Engineer		Mud Company					
PIT					#1	#2	Desand	Cent.	Jon Lyman		M-I Drilling Fluids				
					#3	#4	Desilt	Mud Cl	Daily Cost		Cumulative Cost				
										\$53					

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

TIME		Time Code	Boats:	Supply Boat Name:	Crew Boat Name:	Status:	Status:
FROM	TO						
0600	0600		Union Rig #7 off location				
			All drill pipe and drill collars are off location.				
			Reserve pit fenced.				
			Rehabing location for completion rig.				
				Time Summary			
				Activity	Daily	Cum.	
				1. Mob/DeMob			
				2. Cement		2	
				3. Circulate		2.5	
				4. Directional Work			
				5. Drilling			
				6. Drive Pipe			
				7. Fishing			
				8. OH Logging			
				9. Lost Circ.			
				10. Drill Cmt./LOT			
				11. N.U./N.D.			
				12. P.U./L.D. BHA			
				13. P.U./L.D. Pipe		12	
				14. R/U; R/D		6	
				15. Rig Repair			
				16. Run Casing		11.5	
				17. Service Rig			
				18. Sidetrack Op.			
				19. Stuck Pipe			
				20. Survey			
				21. Trips		1	
				22. Tst. BOPs			
				23. UR/HO			
				24. W.O.W.			
				25. Wash & Ream			
				26. Well Control			
				27. WOC			
				28. Other			
Total Hours				Total		35	
Rig Downtime			Fuel Usage		Bulk Material on Board	Previous Cost	\$164,682
Daily	Daily		Gals	Cement:	sx	Daily Cost	\$2,050
Cum.	Cum.		831 Gals	Barite:	sx	Cum. Cost	\$166,732

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MSC Exploration Daily Completion Report

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Union #7	DOL 8	DFS 8	Date on Location 12/18/2004	Completion Date Dec 18, 2004	Report Date Dec 26, 2004
MD 8,224	TVD 8,224	Footage	AFE No.	AFE Amount \$347,000	Auth. TD. 8,700'		Company Representative Carl Hulslander		
Present Operation WO completion rig				Rig Phone:	435-220-0999		Toolpusher Conrad Tenney		
Rig Fax:				435-220-0999					

Current Weather	BLM Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS
Wind:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	LC50 Sample Date	Operator	12/11/2004	RKB 15 ft
Seas:	Problem? <input type="checkbox"/> Yes		Contractor	Next BOP Test Date	Water Depth ft
Skv:	<input type="checkbox"/> No	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service		RKB-CHF ft

CASING RECORD

[illegible]

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD														
BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
Bit Remarks:					Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque					
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP	1/4		Pump #1	Pump #2	Pump #3
1	9 x 6	3.15								1/2				
2	9 x 6	3.15								3/4				

BHA

BPA	
Length:	Description:

MUD DATA

MUD DATA																
	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer		Mud Company				
PIT						#1	#2	Desand	Cent.	Jon Lyman		M-I Drilling Fluids				
						#3	#4	Desilt	Mud Cl	Daily Cost		Cumulative Cost				
												\$53				

DIRECTIONAL SURVEYS

OPERATIONS SUMMARY

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MSC Exploration Daily Completion Report

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Lead #692		DOL 1	DFS 1	Date on Location 3/22/2005	Completion Date Mar 22, 2005	Report Date Mar 23, 2005	
MD 8,224	TVD 8,224	Footage PBDT	AFE No.	AFE Amount	Auth. TD. 8,224'	Company Representative Jim Lander					
Present Operation PU tubing and GIH with bit & scraper				Rig Phone: 254-241-5317		Toolpusher Nat Guerrero					
Current Weather		BLM Visit <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		NPDES LC50 Sample Date		People on Loc.:		Last BOP Test Date		RIG ELEVATIONS	
Wind:		Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No		Operator		Contractor		Next BOP Test Date		RKB 15 ft	
Seas:		Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service				Water Depth		ft	
Sky:								RKB-CHF		ft	

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD	TVD	Liner Top MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	16"		LP		1	37'	37'			Air			
Surface	9 5/8"	32.3	H40	STC	12	534'	534'			Air			
Intermediate/Production	7"	26	L80	LTC	156	6,839'	6,839'			8.8			
Intermediate/Production	7"	23	P110	LTC	14	7,455'	7,455'			8.8			
Production Liner	5"	18	P110	FJ	19	8224'	8224'	7,381'	7,381'	8.7			

BIT	No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade		
												Tooth	Bearing	Gage
Bit Remarks:														
					Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque					
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV	Speed	SPM	Slow Pump Pressures			
								DC	DP	1/4	Pump #1	Pump #2	Pump #3	
1										1/2				
2										3/4				

BHA														
Length:		Description:												

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																

	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer		Mud Company
PIT					#1 #2 Desand Cent.				
					#3 #4 Desilt Mud Cl		Daily Cost		Cumulative Cost
									\$53

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY										
TIME		HOUR	Time Code	Boats:	Supply Boat Name:	Crew Boat Name:	Status:	Time Summary		
FROM	TO							Activity	Daily	Cum.
1000	1030	0.5	1	Move rig from State MCS #35-1 to Federal MSC #26-1						
1030	1730	7.0	1	Spot and R/U rig						
				Move in and spot support equipment				1. Mob/DeMob	7.5	7.5
				Spot cat walk and pipe racks				2. Cement		2
				Move 280 jts of tbq from MCS State 35-1				3. Circulate		2.5
				N/U7 1/16" 5M BOPS, SDFN				4. Directional Work		
1730	1800	0.5	28	Crew Travel				5. Drilling		
								6. Drive Pipe		
								7. Fishing		
								8. OH Logging		
								9. Lost Circ.		
								10. Drill Cmt./LOT		
								11. N.U./N.D.		
				Only the frac tanks remain on State MSC #35-1 location, they will be moved tomorrow, weather permitting.				12. P.U./L.D. BHA		
								13. P.U./L.D. Pipe		12
								14. R/U; R/D		6
								15. Rig Repair		
								16. Run Casing		11.5
								17. Service Rig		
								18. Sidetrack Op.		
								19. Stuck Pipe		
								20. Survey		
								21. Trips		1
								22. Tst. BOPs		
								23. UR/HO		
								24. W.O.W.		
								25. Wash & Ream		
								26. Well Control		
								27. WOC		
								28. Other	0.5	0.5
Total Hours		8.0						Total	8	43

Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost \$167,757	
Daily	Daily	Gals	Cement:	sx	Daily Cost	\$8,632	
Cum.	Cum.	831	Barite:	sx	Cum. Cost	\$176,389	

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DIV. OF OIL, GAS & MINING

MSC Exploration Daily Completion Report

<u>Block, Lease and Well No.</u> E. Crested Junction - Federal MSC #26-1				<u>Contract Rig</u> Leed #082	<u>DOL</u> 2	<u>DFS</u> 2	<u>Date on Location</u> 3/22/2005	<u>Completion Date</u> Mar 22, 2005	<u>Report Date</u> Mar 24, 2005
<u>MD</u> 8,224	<u>TVD</u> 8,224	<u>Footage</u> PBDT	<u>A/E No.</u>	<u>A/E Amount</u> \$155,202	<u>Auth. TD.</u> 8,224'		<u>Company Representative</u> Jim Lander		
<u>Present Operation</u> Displace mud with fresh water				<u>Rig Phone:</u> <u>Rig Fax:</u>	254-241-5317		<u>Toolpusher</u> Nat Guerrero		

Current Weather	BLM Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS
Wind:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator		RKB 15 ft
Seas:	Problem? <input type="checkbox"/> Yes		Contractor	Next BOP Test Date	Water Depth ft
Sky:	<input checked="" type="checkbox"/> No Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service		RKB-CHF ft

[illegible]

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD														
BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
<u>Bit Remarks:</u>					Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque					
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP			Pump #1	Pump #2	Pump #3
1										1/4				
2										1/2				
										3/4				

[illegible]

MUD DATA																
	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer				Mud Company		
PIT						#1	#2	Desand	Cent.							
						#3	#4	Desilt	Mud Cl	Daily Cost	Cumulative Cost					
															\$53	

[illegible]

OPERATIONS SUMMARY									
TIME		HOUR	Time Code	Boats:	Supply Boat Name:	Status:	Time Summary		
FROM	TO								
0600	0700	1.0	28	Crew Travel to Location			Activity	Daily	Cum.
0700	0800	1.0	14	N/U Stripper head, R/U rig floor, air slips, tongs, etc.			1. Mob/DeMob		7.5
0800	1530	7.5	13	Strap top layer of tbg, P/U & RIH w/ BHA consisting of 6 1/4" bit, 7" scrapper, bit sub & xover sub, RIH & tag top of liner @ 7386'			2. Cement		2
1530	1600	0.5	3	R/U pump and reverse circulate @ top of liner, drill mud in well, recovered thick mud from bottoms up,			3. Circulate	2	4.5
1600	1730	1.5	3	Displace well w/ fresh water, run out of fresh water, SDFN			4. Directional Work		
1730	1800	0.5	28	Crew Travel from Location			5. Drilling		
							6. Drive Pipe		
							7. Fishing		
							8. OH Logging		
							9. Lost Circ.		
							10. Drill Cmt./LOT		
				2 Frac tanks have been moved from the State MCS 35-1 to the Federal MSC #26-1. The other 2 tanks have been released.			11. N.U./N.D.		
				No equipment on State MSC #35-1 location.			12. P.U./L.D. BHA		
				KCL arrived this afternoon from MI-Swaco.			13. P.U./L.D. Pipe	7.5	19.5
							14. R/U; R/D	1	7
							15. Rig Repair		
				Picked up 13,500 gals of fresh water from the City of Thompson			16. Run Casing		11.5
							17. Service Rig		
							18. Sidetrack Op.		
							19. Stuck Pipe		
							20. Survey		
							21. Trips		1
							22. Tst. BOPs		
							23. UR/HO		
							24. W.O.W.		
							25. Wash & Ream		
							26. Well Control		
							27. WOC		
							28. Other	1.5	2
							Total	12	55
Total Hours		12.0							
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost		\$176,389	
Daily		Daily	Gals	Cement:	sx	Daily Cost		\$7,022	
Cum.		Cum.	831 Gals	Barite:	sx	Cum. Cost		\$183,411	

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Current Weather	BLM Visit		NPDES			People on Loc.:		Last BOP Test Date	RIG ELEVATIONS	
Wind:	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<u>LC50 Sample Date</u>			Operator			RKB	15 ft
Seas:	Problem? <input type="checkbox"/> Yes					Contractor		Next BOP Test Date	Water Depth	ft
Skv:	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Pass?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	Service			RKB-CHF	ft

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD														
BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
Bit Remarks:					Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque					
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP	1/4		Pump #1	Pump #2	Pump #3
1										1/2				
2										3/4				

MUD DATA																
	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pt/Mf
PIT																
	Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer			Mud Company			
PIT						#1	#2	Desand	Cent.							
						#3	#4	Desilt	Mud Cl	Daily Cost			Cumulative Cost			
										\$2,538			\$2,591			

OPERATIONS SUMMARY									
TIME		HOUR	Time Code	Boats:	Supply Boat Name:	Status:	Time Summary		
FROM	TO								
0600	0700	1.0	28	Crew Travel to Location			Activity	Daily	Cum.
0700	0800	1.0	3	Continue to displace mud from well w/ FW, circ until returns were clean					
0800	0900	1.0	22	R/U and test csg and pipe rams and BOPs to 3000 psi for 30 minutes,			1. Mob/DeMob		7.5
				Good test, witnessed by Jack Johnson of the BLM			2. Cement		2
0900	1230	3.5	3	Mix 500 bbls of 6% KCL water			3. Circulate	6	10.5
1230	1300	0.5	3	Circulate tank of 6% KCL water			4. Directional Work		
1300	1400	1.0	3	Displace well w/ 6% KCL water			5. Drilling		
1400	1700	3.0	21	POOH and L/D 20 jts of tbg, rack in the derrick 107 stands,			6. Drive Pipe		
				L/D bit and scrapper. SDFN			7. Fishing		
1700	1730	0.5	28	Crew travel from location			8. OH Logging		
							9. Lost Circ.		
							10. Drill Cmt./LOT		
							11. N.U./N.D.		
							12. P.U./L.D. BHA		
							13. P.U./L.D. Pipe		19.5
							14. R/U; R/D		7
							15. Rig Repair		
							16. Run Casing		11.5
							17. Service Rig		
							18. Sidetrack Op.		
							19. Stuck Pipe		
							20. Survey		
							21. Trips	3	4
							22. Tst. BOPs	1	1
				Picked up 30,500 gals of fresh water from the City of Thomas.			23. UR/HO		
				2 day total, 44,000 gals of fresh water.			24. W.O.W.		
							25. Wash & Ream		
							26. Well Control		
							27. WOC		
							28. Other	1.5	3.5
							Total	11.5	66.5
Total Hours		11.5							
Rig Downtime		Fuel Usage			Bulk Material on Board		Previous Cost \$183,411		
Daily	Daily	Gals		Cement:	sx	Daily Cost		\$11,350	
Cum.	Cum.	831		Barite:	sx	Cum. Cost		\$194,761	

MAY 25 2005

OF OIL, GAS & MINING

MSC Exploration Daily Completion Report

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Leed #992	DOL 4	DFS 4	Date on Location 3/22/2005	Completion Date Mar 22, 2005	Report Date Mar 26, 2005
MD 8,224	TVD 8,224	Footage PBDT	AFE No.	AFE Amount \$155,202	Auth. TD. 8,224'	Company Representative Jim Lander			
Present Operation Rig shut down for accident				Rig Phone: 254-241-5317	Toolpusher: Nat Guerrero				

Current Weather	BLM Visit		NPDES	People on Loc.:		Last BOP Test Date	RIG ELEVATIONS	
Wind:	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	LC50 Sample Date	Operator			RKB	15 ft
Seas:	Problem? <input type="checkbox"/> Yes			Contractor		Next BOP Test Date	Water Depth	ft
Sky:	<input checked="" type="checkbox"/> No	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service			RKB-CHF	ft

CASING RECORD

[illegible]

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
Bit Remarks:					Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque					
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP			Pump #1	Pump #2	Pump #3
1										1/2				
2										3/4				

BHA

Length:	Description:

MUD DATA

MUD DATA																
	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer			Mud Company			
PIT						#1	#2	Desand	Cent.							
						#3	#4	Desilt	Mud Cl	Daily Cost			Cumulative Cost			
													\$2,591			

DIRECTIONAL SURVEYS

DIRECTIONAL SURVEY							
MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

TIME			Time Code	Boats:	Supply Boat Name:	Status:
FROM	TO	HOUR				
0600	0700	1.0	28	Crew travel to location		
0700	1000	3.0	8	MI/ RU Excell logging Service, GIH w/ CCL/ Gamma ray & Cement Bond logging tools to 7433', log to 485' (fluid level)		
				good bond across zones of interest, R/D logging unit		
1000	1130	1.5	21	M/U seat nipple and RIH on 95 stands of 2 7/8" tbg, (5972')		
1130	1530	4.0	28	R/U swab lubricator and manifold, Swab a total of 150 bbls of 6% KCL Estimate fluid level +/- 4400', R/D swab lubricator and manifold		
1530	1600	0.5	21	Start POOH w/ tbg, pulled 2 stands and racked in derrick, while POOH w/ 3rd stand, (the stand was about 3/4 of the way out of the hole) the drill line pulled out of the rope socket that held the drill line to the drum. The block fell and the tbg went down the hole. There are 93 stands of tbg (5840') in the well. The condition of the tbg and the top of the tbg is unknown at present. No one was hurt. The blind rams were closed. The tbg tongs were hit by the block and damaged. Condition of the block is unknown. The accident happened about 15:45 hrs		
1600	1800	2.0	15	Removed the damaged tongs and cleared debris from the rig floor, Layed down 14 stands of tbg in the derrick as doubles using the cat line, SDFN		
1800	1830	0.5	28	Crew travel from location		
				On this rig, both ends of the drill line are attached to the drum. One end is still attached to the drum. The other end is hanging in the derrick. The rope socket or sleeve that the drill line goes through to attach it to the drum was found. Plan to meet with Mac Sawver, Rig Manager, & Nat Guerrero, rig pusher, in the morning to decide on a course of action. Note: Excell ran a Cement bond log at no charge to us.		
Total Hours			12.5			
Rig Downtime			Fuel Usage		Bulk Material on Board	Previous Cost \$194,761
Daily	Daily	Gals	Cement:	sx	Daily Cost	\$10,234
Cum.	Cum.	Gals	Barite:	sx	Cum. Cost	\$204,995

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DIV. OF OIL, GAS & MINING

MSC Exploration Daily Completion Report

<u>Block, Lease and Well No.</u> E. Crested Junction - Federal MSC #26-1				<u>Contract Rig</u> Lead #692	<u>DOL</u> 5	<u>DFS</u> 5	<u>Date on Location</u> 3/22/2005	<u>Completion Date</u> Mar 22, 2005	<u>Report Date</u> Mar 27, 2005
<u>MD</u> 8,224	<u>TVD</u> 8,224	<u>Footage</u> PBDT	<u>AFE No.</u>	<u>AFE Amount</u> \$155,202	<u>Auth. TD.</u> 8,224'		<u>Company Representative</u> Jim Lander		
<u>Present Operation</u> Replace Drill line and check rig for damages				<u>Rig Phone:</u> <u>Rig Fax:</u>	254-241-5317		<u>Toolpusher</u> Nat Guerrero		

Current Weather	BLM Visit	NPDES	People on Loc.:		Last BOP Test Date	RIG ELEVATIONS
Wind:	<input type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator			RKB 15 ft
Seas:	Problem? <input type="checkbox"/> Yes		Contractor		Next BOP Test Date	Water Depth ft
Sky:	<input type="checkbox"/> No	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service			RKB-CHF ft

[illegible]

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD														
BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
Bit Remarks:					Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque					
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP			Pump #1	Pump #2	Pump #3
1										1/4				
2										1/2				
										3/4				

[illegible]

MUD DATA																
	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer			Mud Company			
PIT						#1	#2	Desand	Cent.							
						#3	#4	Desilt	Mud Cl	Daily Cost			Cumulative Cost			
													\$2,591			

[illegible]

OPERATIONS SUMMARY							
TIME FROM TO		HOUR	Time Code	Boats:	Supply Boat Name: Crew Boat Name:	Status:	Status:
0600	0600					Time Summary Activity Daily Cum.	
				Met with Mac Sawver, Rig Manager, & Nat Guerrero, rig pusher,			
				this morning. It was decided that they would lay down the derrick, as it would be easier to remove the drill line that is jammed in between the crown and the crows nest. It will make it easier to inspect the crown and sheaves for any damage. Leed Energy will start the repairs Monday morning. The block is to be inspected or replaced.		1. Mob/DeMob	7.5
						2. Cement	2
						3. Circulate	10.5
						4. Directional Work	
						5. Drilling	
						6. Drive Pipe	
				We discussed retrieving the tbg that went down hole. It will be at Leed Energy's expense.		7. Fishing	
						8. OH Logging	3
						9. Lost Circ.	
						10. Drill Cmt./LOT	
						11. N.U./N.D.	
				93 jts of 2 7/8" tbg went down the well. The liner still contains drilling mud.		12. P.U./L.D. BHA	
						13. P.U./L.D. Pipe	19.5
						14. R/U; R/D	7
						15. Rig Repair	2
						16. Run Casing	11.5
						17. Service Rig	
						18. Sidetrack Op.	
						19. Stuck Pipe	
						20. Survey	
						21. Trips	6
						22. Tst. BOPs	1
						23. UR/HO	
						24. W.O.W.	
						25. Wash & Ream	
						26. Well Control	
						27. WOC	
						28. Other	9
						Total	79
Total Hours							
Rig Downtime	Fuel Usage	Bulk Material on Board	Previous Cost	\$204,995			
Daily	Daily	Gals	Cement:	sx	Daily Cost	\$1,945	
Cum.	Cum.	831 Gals	Barite:	sx	Cum. Cost	\$206,940	

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DIV. OF OIL, GAS & MINING

MSC Exploration Daily Completion Report

<u>Block, Lease and Well No.</u> E. Crested Junction - Federal MSC #26-1				<u>Contract Rig</u> Leed #692	<u>DOL</u> 6	<u>DFS</u> 6	<u>Date on Location</u> 3/22/2005	<u>Completion Date</u> Mar 22, 2005	<u>Report Date</u> Mar 28, 2005
<u>MD</u> 8,224	<u>TVD</u> 8,224	<u>Footage</u> PBDT	<u>AFF No.</u>	<u>AFF Amount</u> \$155,202	<u>Auth. TD.</u> 8,224'		<u>Company Representative</u> Jim Lander		
<u>Present Operation</u> Prep to repair rig				<u>Rig Phone:</u> <u>Rig Fax:</u>	254-241-5317		<u>Toolpusher</u> Nat Guerrero		

Current Weather	BLM Visit		NPDES		People on Loc.:	Last BOP Test Date	RIG ELEVATIONS	
Wind:	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	LC50 Sample Date		Operator		RKB	15 ft
Seas:	Problem? <input type="checkbox"/> Yes				Contractor	Next BOP Test Date	Water Depth	ft
Skv:	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service		RKB-CHF	ft

[illegible]

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD														
BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
Bit Remarks:					Cum. ROT. Hrs	PU Wt		SO Wt		ROT Wt		Torque		
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP			Pump #1	Pump #2	Pump #3
1										1/4				
2										1/2				
										3/4				

[illegible]

MUD DATA																
	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer			Mud Company			
PIT						#1	#2	Desand	Cent.							
						#3	#4	Desilt	Mud Cl							Daily Cost
										\$2.591						

[illegible]

OPERATIONS SUMMARY									
TIME		HOUR	Time Code	Boats:	Supply Boat Name:	Status:			
FROM	TO								
0600	0600			SD for Sunday			Time Summary		
							Activity	Daily	Cum.
							1. Mob/DeMob		7.5
							2. Cement		2
							3. Circulate		10.5
							4. Directional Work		
							5. Drilling		
							6. Drive Pipe		
							7. Fishing		
							8. OH Logging		3
							9. Lost Circ.		
							10. Drill Cmt./LOT		
							11. N.U./ N.D.		
							12. P.U./L.D. BHA		
							13. P.U./L.D. Pipe		19.5
							14. R/U; R/D		7
							15. Rig Repair		2
							16. Run Casing		11.5
							17. Service Rig		
							18. Sidetrack Op.		
							19. Stuck Pipe		
							20. Survey		
							21. Trips		6
							22. Tst. BOPs		1
							23. UR/HO		
							24. W.O.W.		
							25. Wash & Ream		
							26. Well Control		
							27. WOC		
							28. Other		9
							Total		79
Total Hours									
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost		\$206,940	
Daily		Daily		Gals	Cement:	sx	Daily Cost	\$1,945	
Cum		Cum.		Gals	Barite:	sx	Cum. Cost	\$208,885	

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DIV. OF OIL, GAS & MINING

MSC Exploration Daily Completion Report

<u>Block, Lease and Well No.</u> E. Crested Junction - Federal MSC #26-1				<u>Contract Rig</u> Leed #692	<u>DOI</u> 7	<u>DFS</u> 7	<u>Date on Location</u> 3/22/2005	<u>Completion Date</u> Mar 22, 2005	<u>Report Date</u> Mar 29, 2005
<u>MD</u> 8,224	<u>TVD</u> 8,224	<u>Footage</u> PBDT	<u>AFE No.</u>	<u>AFE Amount</u> \$155,202	<u>Auth. TD</u> 8,224'	<u>Company Representative</u> Jim Lander			
<u>Present Operation</u> Replace Brake blocks				<u>Rig Phone:</u> <u>Rig Fax:</u>	254-241-5317		<u>Toolpusher</u> Nat Guerrero		

Current Weather	BLM Visit		NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS
Wind:	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<u>LC50 Sample Date</u>	Operator		RKB 15 ft
Seas:	Problem? <input type="checkbox"/> Yes			Contractor	Next BOP Test Date	Water Depth ft
Sky:	<input checked="" type="checkbox"/> No	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service		RKB-CHF ft

CASING RECORD

[illegible]

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

Drill Weight, of LBS and Working Hours														
BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
Bit Remarks:					Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque					
Pump No.	Stroke X Liner	Output gpa	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP			Pump #1	Pump #2	Pump #3
1										1/4				
2										1/2				
										3/4				

BHA

Length:	Description:

MUD DATA

MUD DATA																
	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pt/Mf
PIT																
	Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours	Mud Engineer			Mud Company				
PIT						#1	#2	Desand	Cent.							
						#3	#4	Desilt	Mud Cl	Daily Cost	Cumulative Cost					
											\$2.591					

DIRECTIONAL SURVEYS

[illegible]

OPERATIONS SUMMARY

TIME				Boats:	Supply Boat Name:	Status:
FROM	TO	HOUR	Time Code	Crew Boat Name: Status:		
0600	0700	1.0	28	Crew travel to location		
0700	1700	10.0	15	R/D & L/D derrick, remove the drill line jammed between the crown and crow's nest.		Time Summary
				Inspect the sheaves and service the crown. Rebuild the air slips.		Activity
				raise the derrick		Daily
				Visually inspect the blocks, string up a new drill line		Cum.
				One end of the drill line is attached to the drum with a clamp on the bottom, and the other end is attached to the side of the drum w/ a rope socket held onto the drill line w/ lead.		1. Mob/DeMob
						2. Cement
						3. Circulate
						4. Directional Work
						5. Drilling
						6. Drive Pipe
						7. Fishing
1700	1730	0.5	28	Crew travel from location		8. OH Logging
						9. Lost Circ.
						10. Drill Cmt./LOT
						11. N.U./N.D.
				National Oilwell rep inspected block and said it is OK.		12. P.U./L.D. BHA
						13. P.U./L.D. Pipe
						14. R/U; R/D
						15. Rig Repair
						16. Run Casing
						17. Service Rig
						18. Sidetrack Op.
						19. Stuck Pipe
						20. Survey
						21. Trips
						22. Tst. BOPs
						23. UR/HO
						24. W.O.W.
						25. Wash & Ream
						26. Well Control
						27. WOC
						28. Other
						Total
Total Hours		11.5				
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost
Daily		Daily	Gals	Cement:	sx	\$208,885
Cum.		Cum.	831	Barite:	sx	Daily Cost
						\$1,945
						Cum. Cost
						\$210,830

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DIV. OF OIL, GAS & MINING

MSC Exploration Daily Completion Report

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Leed #892	DOL 9	DFS 9	Date on Location 3/22/2005	Completion Date Mar 22, 2005	Report Date Mar 31, 2005
MD 8,224	TVD 8,224	Footage PBDT	AFE No.	AFE Amount \$155,202	Auth. TD. 8,224'	Company Representative Jim Lander			
Present Operation Fishing tubing				Rig Phone: 254-241-5317	Toolpusher Nat Guerrero				
				Rig Fax:					

Current Weather	BLM Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS
Wind:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator		RKB 15 ft
Seas:	Problem? <input type="checkbox"/> Yes		Contractor	Next BOP Test Date	Water Depth ft
Sky:	<input checked="" type="checkbox"/> No <input type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service		RKB-CHF ft

CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD	TVD	Liner Top MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	16"		LP		1	37'	37'			Air			
Surface	9 5/8"	32.3	H40	STC	12	534'	534'			Air			
Intermediate/Production	7"	26	L80	LTC	156	6,839'	6,839'			8.8			
Intermediate/Production	7"	23	P110	LTC	14	7,455'	7,455'			8.8			
Production Liner	5"	18	P110	FJ	19	8224'	8224'	7,381'	7,381'	8.7			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade Tooth	Bearing	Gage
Bit Remarks:				Cum. ROT. Hrs		PU Wt	SO Wt	ROT Wt	Torque				
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV	Speed	SPM	Slow Pump Pressures		
								DC DP	1/4		Pump #1	Pump #2	Pump #3
1									1/2				
2									3/4				

BHA

Length:	Description:

MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer		Mud Company							
PIT					#1 #2 Desand Cent.											
					#3 #4 Desilt Mud Cl	Daily Cost			Cumulative Cost							
									\$2,591							

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

OPERATIONS SUMMARY				Boats:	Supply Boat Name:	Status:	
TIME		HOUR	Time Code		Crew Boat Name:	Status:	
FROM	TO						
0600	0700	1.0	28	Crew Travel to location			
0700	1500	8.0	7	P/U impression block, 1 stand of 2 7/8" tbg and RIH on sand line, tag top of tbg, POOH, impression on lead block indicated a collar looking up, P/U 5 3/4" overshot w/ cut lip guide, containing a 3 21/32" grapple and 3 21/32" mill control, TIH on 2 7/8" tbg, tag top of tbg @ 2268', attempt to work overshot over top of tbg, unable to get overshot over top of fish, POOH, on inspection of the inside of the overshot, the collar was not passing through the mill control, Replace the 3 21/32" mill control w/ 4 1/4" catch all control, kept the same grapple, TIH w/ overshot and tagged top of fish, worked the overshot over the collar on top of tbg, work tbg, trying to work fish free, no success R/U and attempt to circulate, circulate through overshot Pulled tbg to 90 kips, unable to free tbg (no jars or DCs in work string) Pulled tbg to 90 kips, set slips and kept in tension overnight	Time Summary		
					Activity	Daily	Cum.
					1. Mob/DeMob		7.5
					2. Cement		2
					3. Circulate		10.5
					4. Directional Work		
					5. Drilling		
					6. Drive Pipe		
					7. Fishing	8	8
					8. OH Logging		3
					9. Lost Circ.		
					10. Drill Cmt./LOT		
					11. N.U./ N.D.		
					12. P.U./L.D. BHA		
1500	1530	0.5	28	Crew travel from location	13. P.U./L.D. Pipe		19.5
					14. R/U; R/D		7
					15. Rig Repair		22.5
					16. Run Casing		11.5
					17. Service Rig		
					18. Sidetrack Op.		
					19. Stuck Pipe		
					20. Survey		
					21. Trips		6
					22. Tst. BOPs		1
					23. UR/HO		
					24. W.O.W.		
					25. Wash & Ream		
					26. Well Control		
					27. WOC		
					28. Other	1.5	13.5
					Total	9.5	112
Total Hours		9.5					
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost	\$216,013
Daily	Daily	Gals	Cement:	sx	Daily Cost	\$1,945	
Cum.	Cum.	831 Gals	Barite:	sx	Cum. Cost	\$217,958	

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DIV. OF OIL, GAS & MINING

MSC Exploration Daily Completion Report

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Lead #892	DOL 11	DFS 11	Date on Location 3/22/2005	Completion Date Mar 22, 2005	Report Date Apr 2, 2005
MD 8,224	TVD 8,224	Footage PBSD	AFE No.	AFE Amount \$155,202	Auth. TO	8,224'	Company Representative Jim Lander		
Present Operation Fishing				Rig Phone: 254-241-5317	Toolpusher Nat Guerrero				

Current Weather	BLM Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS
Wind:	<input type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator		RKB 15 ft
Seas:	Problem? <input type="checkbox"/> Yes		Contractor	Next BOP Test Date	Water Depth ft
Sky:	<input type="checkbox"/> No <input type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service		RKB-CHF ft

CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD	TVD	Liner Top MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	16"		LP		1	37'	37'			Air			
Surface	9 5/8"	32.3	H40	STC	12	534'	534'			Air			
Intermediate/Production	7"	26	L80	LTC	156	6,839'	6,839'			8.8			
Intermediate/Production	7"	23	P110	LTC	14	7,455'	7,455'			8.8			
Production Liner	5"	18	P110	FJ	19	8224'	8224'	7,381'	7,381'	8.7			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade		
											Tooth	Bearing	Gage
Bit Remarks:				Cum. ROT. Hrs		PU Wt	SO Wt	ROT Wt	Torque				
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV	Speed	SPM	Slow Pump Pressures		
								DC	DP	1/4	Pump #1	Pump #2	Pump #3
1										1/2			
2										3/4			

BHA

Length:	Description:

MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer	Mud Company								
PIT					#1	#2	Desand	Cent.								
					#3	#4	Desilt	Mud Cl	Daily Cost							
																Cumulative Cost \$2,591

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

TIME		HOUR	Time Code	Boats:	Supply Boat Name:	Status:
FROM	TO					
0600	0700	1.0	28	Crew travel to location	Crew Boat Name:	Status:
0700	1000	3.0	7	RIH w/ 1 3/4" chemical cutter, set down @ 8005', tbg collar @ 7975 & at 7944', cut tbg @ 7960', POOH w/ E/L tools, work pipe to finish breaking pipe, POOH & L/D top jt of tbg (jt bent) and 2 pup jts R/U pump and reverse circulate tbg, recovered some drilling mud,		
1000	1300	3.0	7	POOH w/ 2 7/8" tbg, had 10 -20 kips over drag while pulling out of liner, racked back total of 125 stands, tbg is in good condition, L/D last full jt and cut off jt, 4 1/2 jts in hole, (141.18') (top of fish 7960')		
1300	1430	1.5	7	Wait on overshot		
1430	1830	4.0	7	P/U overshot w/ 2 7/8" grapple and catch-all control, bumper sub, oil jars, 4 ea 3 1/8" DCs, intensifier, & xover (total 161.19'), RIH on 2 7/8" tbg total of 124 stands and a single, tag top of fish @ 9760'. Work overshot over fish, jar on fish, fish came free, POOH w/ 2 7/8" tbg, no drag while pulling through liner, pulled a total of 16 stands, SDFN.		
1830	1900	0.5	28	Crew travel from location		
				Fish left in hole 4 1/2 jts (141.18') Jarred twice and fish came free. The fish is to light to see any change of weight on the weight indicator		
Total Hours		13.0				
Rig Downtime				Fuel Usage	Bulk Material on Board	Previous Cost \$220,065
Daily	Daily			Gals	Cement: sx	Daily Cost \$1,975
Cum.	Cum.			831 Gals	Barite: sx	Cum. Cost \$222,040

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MAY 25 2005

DIV. OF OIL, GAS & MINING

MSC Exploration Daily Completion Report

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Leed #692	DOL 12	DFS 12	Date on Location 3/22/2005	Completion Date Mar 22, 2005	Report Date Apr 3, 2005
MD 8,224	TVD 8,224	Footage PBTB	AFE No.	AFE Amount \$155,202	Auth. TD. 8,224'		Company Representative Jim Lander		
Present Operation SD for Sunday				Rig Phone: 254-241-5317	Toolpusher Nat Guerrero				

Current Weather	BLM Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS
Wind: <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No	LC50 Sample Date	Operator		RKB 15 ft
Seas: <input type="checkbox"/> Problem? <input type="checkbox"/> Yes			Contractor	Next BOP Test Date	Water Depth ft
Sky: <input checked="" type="checkbox"/> No <input type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No			Service		RKB-CHF ft

CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD	TVD	Liner Top MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	16"		LP		1	37'	37'			Air			
Surface	9 5/8"	32.3	H40	STC	12	534'	534'			Air			
Inmediate/Production	7"	26	L80	LTC	156	6,839'	6,839'			8.8			
Inmediate/Production	7"	23	P110	LTC	14	7,455'	7,455'			8.8			
Production Liner	5"	18	P110	FJ	19	8224'	8224'	7,381'	7,381'	8.7			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade Tooth	Bearing	Gage
Bit Remarks:				Cum. ROT. Hrs		PU Wt	SO Wt	ROT Wt	Torque				
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV DC	DP	Speed 1/4	SPM	Slow Pump Pressures	
												Pump #1	Pump #2
1										1/2		Pump #3	
2										3/4			

BHA

Length:	Description:

MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	P/Mf
PIT																
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer	Mud Company								
PIT					#1 #2 Desand Cent.											
					#3 #4 Desilt Mud Cl			Daily Cost		Cumulative Cost						
										\$2,591						

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

TIME		HOUR	Time Code	Boats:	Supply Boat Name:	Status:
FROM	TO					
0600	0700	1.0	28	Crew Travel to location	Crew Boat Name:	Status:
0700	1000	3.0	7	Finish POOH w/ overshot, no fish.		
				Both the grapple and the control were broke, A piece of the each, was left in the hole. From the marks on the bottom of the overshot the top of the tbq does not appear to be smooth. Marks on the inside of the grapple indicate that it was partially over the tbq. It was decided that the top of the tbq (fish) would need to be dressed off. It was decided that an overshot w/ cut-rite on the bottom and inside edge would be needed. The fisherman checked w/ his office, one was not readily available. One would have to be made. It would be 3 or 4 PM before it could be to the rig. Leed Energy (Mac) decided to shut down the rig until Monday.		
1000	1030	0.5	28	Crew Travel from location		
				Per agreement between Galan Williams and Mac McGower with Leed, fishing operations will cease and normal operations will continue on Monday morning. Fish will remain in 5" liner.		
				Time Summary		
				Activity	Daily	Cum.
				1. Mob/DeMob		7.5
				2. Cement		2
				3. Circulate		10.5
				4. Directional Work		
				5. Drilling		
				6. Drive Pipe		
				7. Fishing	3	34
				8. OH Logging		3
				9. Lost Circ.		
				10. Drill Cmt./LOT		
				11. N.U./N.D.		
				12. P.U./L.D. BHA		
				13. P.U./L.D. Pipe		19.5
				14. R/U; R/D		7
				15. Rig Repair		22.5
				16. Run Casing		11.5
				17. Service Rig		
				18. Sidetrack Op.		
				19. Stuck Pipe		
				20. Survey		
				21. Trips		6
				22. Tst. BOPs		1
				23. UR/HO		
				24. W.O.W.		
				25. Wash & Ream		
				26. Well Control		
				27. WOC		
				28. Other	1.5	18
				Total	4.5	142.5
Total Hours		4.5				
Rig Downtime			Fuel Usage		Bulk Material on Board	
Daily		Daily	Gals	Cement:	sx	Previous Cost \$222,040
Cum.		Cum.	831 Gals	Barite:	sx	Daily Cost \$1,945
						Cum. Cost \$223,985

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MAY 25 2005

DIV OF OIL, GAS & MINING

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Lead #692		DOL 13	DFS 13	Date on Location 3/22/2005	Completion Date Mar 22, 2005	Report Date Apr 4, 2005	
MD 8,224	TVD 8,224	Footage PBTD	AFE No.	AFE Amount \$155,202	Auth. TD 8,224'	Company Representative Jim Lander					
Present Operation Prep to GIH				Rig Phone: 254-241-5317			Toolpusher Nat Guerrero				
Current Weather		BLM Visit		NPDES		People on Loc.:		Last BOP Test Date		RIG ELEVATIONS	
Wind:		<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No		LC50 Sample Date		Operator				RKB 15 ft	
Seas:		Problem? <input type="checkbox"/> Yes				Contractor		Next BOP Test Date		Water Depth ft	
Sky:		<input checked="" type="checkbox"/> No <input type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No				Service				RKB-CHF ft	

CASING RECORD													
Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD TVD		Liner Top MD TVD		MW when Run	Pres	LOT EMW	Leakoff?
Conductor	16"		LP		1	37'	37'			Air			
Surface	9 5/8"	32.3	H40	STC	12	534'	534'			Air			
Inmediate/Production	7"	26	L80	LTC	156	6,839'	6,839'			8.8			
Inmediate/Production	7"	23	P110	LTC	14	7,455'	7,455'			8.8			
Production Liner	5"	18	P110	FJ	19	8224'	8224'	7,381'	7,381'	8.7			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD													
BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade Tooth Bearing Gage		
Bit Remarks:					Cum. ROT, Hrs	PU Wt	SO Wt	ROT Wt	Torque				
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV DC DP		Speed 1/4 1/2 3/4	SPM	Slow Pump Pressures Pump #1 Pump #2 Pump #3	
1													
2													

BHA												
Length:		Description:										

MUD DATA																
	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer		Mud Company				
PIT						#1	#2	Desand	Cent.							
						#3	#4	Desilt	Mud Cl	Daily Cost	Cumulative Cost					
											\$2,591					

DIRECTIONAL SURVEYS												
MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE					

OPERATIONS SUMMARY												
TIME FROM TO		HOUR	Time Code	Boats:	Supply Boat Name:		Status:		Crew Boat Name:			
0600 0600				SD for Sunday								
										Time Summary Activity Daily Cum.		
										1. Mob/DeMob 7.5		
										2. Cement 2		
										3. Circulate 10.5		
										4. Directional Work		
										5. Drilling		
										6. Drive Pipe		
										7. Fishing 34		
										8. OH Logging 3		
										9. Lost Circ.		
										10. Drill Cmt./LOT		
										11. N.U./ N.D.		
										12. P.U./L.D. BHA		
										13. P.U./L.D. Pipe 19.5		
										14. R/U; R/D 7		
										15. Rig Repair 22.5		
										16. Run Casing 11.5		
										17. Service Rig		
										18. Sidetrack Op.		
										19. Stuck Pipe		
										20. Survey		
										21. Trips 6		
										22. Tst. BOPs 1		
										23. UR/HO		
										24. W.O.W.		
										25. Wash & Ream		
										26. Well Control		
										27. WOC		
										28. Other 18		
										Total 142.5		
Total Hours												
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost		\$223,985				
Daily	Daily	Gals		Cement: sx		Daily Cost		\$1,975				
Cum.	Cum.	831 Gals		Barite: sx		Cum. Cost		\$225,960				

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MAY 25 2005

MSC Exploration Daily Completion Report

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Lead #892	DOL 14	DFS 14	Date on Location 3/22/2005	Completion Date Mar 22, 2005	Report Date Apr 5, 2005
MD 7,960	TVD 7,960	Footage PBTB	AFE No.	AFE Amount \$155,202	Auth. TD. 8,224'	Company Representative Jim Lander			
Present Operation Prep to perforate				Rig Phone: 254-241-5317	Toolpusher Nat Guerrero				

Current Weather	BLM Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS
Wind: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator		RKB 15 ft
Seas: <input type="checkbox"/> Problem? <input type="checkbox"/> Yes			Contractor	Next BOP Test Date	Water Depth ft
Sky: <input checked="" type="checkbox"/> No <input type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No			Service		RKB-CHF ft

CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD	TVD	Liner Top MD	TVD	MW when Run	Pres	LOT	Leakoff?
Conductor	16"		LP		1	37'	37'			Air			
Surface	9 5/8"	32.3	H40	STC	12	534'	534'			Air			
Intermediate/Production	7"	26	L80	LTC	156	6,839'	6,839'			8.8			
Intermediate/Production	7"	23	P110	LTC	14	7,455'	7,455'			8.8			
Production Liner	5"	18	P110	FJ	19	8224'	8224'	7,381'	7,381'	8.7			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade							
											Tooth	Bearing	Gage					
Bit Remarks:														Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures						
												DC	DP	1/4	Pump #1	Pump #2	Pump #3	
1										1/2								
2										3/4								

BHA

Length: Description:

MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer		Mud Company				
PIT						#1	#2	Desand	Cent.							
						#3	#4	Desilt	Mud Cl	Daily Cost	Cumulative Cost					
	\$2,591															

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

TIME		HOUR	Time Code	Boats:	Supply Boat Name:	Crew Boat Name:	Status:	Time Summary		
FROM	TO							Activity	Daily	Cum.
0600	0700	1.0	28	Crew Travel to location						
0700	0800	1.0	12	L/D DCs and jars						
0800	1000	2.0	21	P/U seat nipple and TIH on 2 7/8" tbg to 6842' (109 stands)				1. Mob/DeMob		7.5
1000	1100	1.0	3	R/U pump and reverse circulate well w/ freshwater				2. Cement		2
1100	1200	1.0	3	Displace well w/ KCL water				3. Circulate	2	12.5
1200	1600	4.0	28	R/U swab lubricator and manifold, swabbed a total of 175 bbls of KCL to frac tank				4. Directional Work		
								5. Drilling		
1600	1900	3.0	13	POOH w/ 2 7/8" tbg (rack a total of 101 stands in derrick), L/D 48 jts of tbg, 28 jts in poor condition (bent or twisted) 20 jts in fair condition				6. Drive Pipe		
								7. Fishing		34
1900	1930	0.5	28	Crew travel from location				8. OH Logging		3
								9. Lost Circ.		
								10. Drill Cmt./LOT		
								11. N.U./N.D.		
								12. P.U./L.D. BHA	1	1
								13. P.U./L.D. Pipe	3	22.5
								14. R/U; R/D		7
								15. Rig Repair		22.5
								16. Run Casing		11.5
								17. Service Rig		
								18. Sidetrack Op.		
								19. Stuck Pipe		
								20. Survey		
								21. Trips	2	8
								22. Tst. BOPs		1
								23. UR/HO		
								24. W.O.W.		
								25. Wash & Ream		
								26. Well Control		
								27. WOC		
								28. Other	5.5	23.5
								Total	13.5	156
Total Hours		13.5								
Rig Downtime			Fuel Usage		Bulk Material on Board		Previous Cost		\$225,960	
Daily	Daily		Gals	Cement:	sx		Daily Cost		\$7,167	
Cum.	Cum.		831 Gals	Barite:	sx		Cum. Cost		\$233,127	

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DIV. OF OIL, GAS & MINING

MSC Exploration Daily Completion Report

<u>Block, Lease and Well No.</u> E. Crested Junction - Federal MSC #26-1				<u>Contract Rig</u> Leed #692	<u>DOL</u> 15	<u>DFS</u> 15	<u>Date on Location</u> 3/22/2005	<u>Completion Date</u> Mar 22, 2005	<u>Report Date</u> Apr 6, 2005
<u>MD</u> 7,960	<u>TVD</u> 7,960	<u>Footage</u> PBDT	<u>AFE No.</u>	<u>AFE Amount</u> \$155,202	<u>Auth. TD.</u> 8,224'		<u>Company Representative</u> Jim Lander		
<u>Present Operation</u> Swabbing				<u>Rig Phone:</u> 254-241-5317			<u>Toolpusher</u> Nat Guerrero		
				<u>Rig Fax:</u>					

Current Weather	BLM Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS
Wind:	<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No	LC50 Sample Date	Operator		RKB 15 ft
Seas:	Problem? <input type="checkbox"/> Yes		Contractor	Next BOP Test Date	Water Depth ft
Sky:	<input checked="" type="checkbox"/> No <input type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service		RKB-CHF ft

CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting MD	Depth TVD	Liner Top MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	16"		LP		1	37'	37'			Air			
Surface	9 5/8"	32.3	H40	STC	12	534'	534'			Air			
Intermediate/Production	7"	26	L80	LTC	156	6,839'	6,839'			8.8			
Intermediate/Production	7"	23	P110	LTC	14	7,455'	7,455'			8.8			
Production Liner	5"	18	P110	FJ	19	8224'	8224'	7,381'	7,381'	8.7			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade Tooth	Bearing	Gage
Bit Remarks:				Cum. ROT. Hrs		PU Wt	SO Wt	ROT Wt	Torque				
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV	Speed	SPM	Slow Pump Pressures		
								DC DP	1/4		Pump #1	Pump #2	Pump #3
1									1/2				
2									3/4				

BHA

Length:	Description:

MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer	Mud Company								
PIT					#1 #2	Desand Cent.										
					#3 #4	Desilt Mud Cl	Daily Cost	Cumulative Cost								
								\$2,591								

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

TIME		HOUR	Time Code	Boats:	Supply Boat Name:	Status:
FROM	TO					
0600	0700	1.0	28	Crew travel to location	Crew Boat Name:	Status:
0700	0830	1.5	8	M/I & R/U Brande-X perforating unit, RIH w/ 4" csg gun, tag fluid @ 4600'		
				Run correlation log, Perforate interval 6440' to 6452', (witnessed by Myself and Larry Moyer) w/ 3 shots/ ft, .43" dia holes & 49 inches of penetration, POOH, estimate top of fluid @ 4550', R/D EL unit		
0830	1430	6.0	28	R/U tubing hydro-testing unit, P/U Weatherford 7" Test packer and Seat Nipple, install standing valve, RIH on 1st stand of tbg, volume test to 6000 psi, remove standing valve, continue to TIH 2 7/8" tbg, checking each connection and testing each stand to 6000 psi, TIH a total of 101 stands of 2 7/8" tbg, no rejects, install 8" pup jt and pressure test to 6000 psi, R/D hydro-testing unit,		
1430	1600	1.5	28	Set Weatherford packer @ 6340', R/U swab lubricator and manifold Pressure test casing to 1000 psi, good test, release pressure RIH w/ swab line, tag fluid @ 4900', pull from seat nipple @ 6335', recovered 5 bbls of fluid, 2nd run, tag fluid @ 5600', pull from seat nipple, recovered 5 bbls of fluid, 3rd run; did not tag fluid, pulled from seat nipple, no fluid recovered. (recovered a total of 10 bbls)		
1600	1630	0.5	28	Wait 30 minutes for fluid to rise		
1630	1645	0.3	28	4th run: did not tag fluid, pulled from seat nipple no fluid recovered		
1645	1715	0.5	28	Wait 30 minutes for fluid to rise		
1715	1730	0.3	28	5th run: did not tag fluid, pulled from seat nipple no fluid recovered		
1730	1800	0.5	28	SWFN		
				Crew travel from location		
				No indication of influx from the formation/ will check in the morning. Picked up 12,000 gals of fresh water from city of Thompson Springs.		
Total Hours		12.0				
Rig Downtime				Fuel Usage	Bulk Material on Board	Previous Cost \$233,127
Daily	Daily			Gals	Cement: sx	Daily Cost \$16,529
Cum.	Cum.			831 Gals	Barite: sx	Cum. Cost \$249,656

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MAY 25 2005

DIV. OF OIL, GAS & MINING

MSC Exploration Daily Completion Report

<u>Block, Lease and Well No.</u> E. Crested Junction - Federal MSC #26-1				<u>Contract Rig</u> Leed #692	<u>DOL</u> 16	<u>DFS</u> 16	<u>Date on Location</u> 3/22/2005	<u>Completion Date</u> Mar 22, 2005	<u>Report Date</u> Apr 7, 2005
<u>MD</u> 7,960	<u>TVD</u> 7,960	<u>Footage</u> PBDT	<u>AFF No.</u>	<u>AFF Amount</u> \$155,202	<u>Auth. TD.</u> 8,224'		<u>Company Representative</u> Jim Lander		
<u>Present Operation</u> Prep to swab				<u>Rig Phone:</u>	254-241-5317		<u>Toolpusher</u> Nat Guerrero		
<u>Rig Fax:</u>									

Current Weather	BLM Visit		NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS
Wind:	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	LC50 Sample Date	Operator		RKB 15 ft
Seas:	Problem? <input type="checkbox"/> Yes			Contractor	Next BOP Test Date	Water Depth ft
Sky:	<input checked="" type="checkbox"/> No	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service		RKB-CHF ft

CASING RECORD

[illegible]

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD													
BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade		
											Tooth	Bearing	Gage
Bit Remarks:					Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque				
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures	
								DC	DP			Pump #1	Pump #2
1										1/2			
2										3/4			

BHA

DNA	
Length:	Description:

MUD DATA

MUD DATA																
	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer			Mud Company			
PIT						#1	#2	Desand	Cent.							
						#3	#4	Desilt	Mud Cl	Daily Cost		Cumulative Cost				
												\$2,591				

DIRECTIONAL SURVEYS

DIRECTIONAL SURVEYS							
MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

TIME				Boats:	Supply Boat Name: _____	Status: _____
FROM	TO	HOUR	Time Code			
0600	0700	1.0	28	Crew Travel to location		
0700	0730	0.5	28	0 psi on tbq and 50 psi on csg, bled off csg, (air)		
				R/U swab lubricator, Make run #6, did not tag fluid, pulled from		1. Mob/DeMob
				from seat nipple (6335'), no fluid recovered		2. Cement
0730	0830	1.0	28	Wait for fluid level to rise		3. Circulate
0830	0900	0.5	28	Make swab run #7, did not tag fluid, pulled from		4. Directional Work
				from seat nipple (6335'), no fluid recovered		5. Drilling
0900	0930	0.5	28	Wait for stimulation equipment		6. Drive Pipe
0930	1530	6.0	28	M/I & R/U Halliburton acid pumper, pressure test surface lines 6000 psi,		7. Fishing
				release pressure, pump 400 gals of 15% HCL acid (pickling) and displace		8. OH Logging
				w/ 27 bbls of KCl water, unset packer and reverse out pickling acid		9. Lost Circ.
				to pit, Hold safety meeting, load tbq w/ 36 bbls of Mod Acid 101,		10. Drill Cmt./LOT
				shut down pump, set packer & pressure csg to 500 psi.		11. N.U./ N.D.
				Continue pumping acid @ 1.6 BPM @ 3464 psi, into formation		12. P.U./L.D. BHA
				start dropping Bio balls (total of 40) increase rate to 2.3 BPM @		13. P.U./L.D. Pipe
				3700 psi, Pumped a total of 2000 gals (47.6 bbls) of Mod Acid 101		14. R/U; R/D
				displace acid w/ 50 bbls of KCL water, over displace		15. Rig Repair
				acid into the perfs w/ 10 bbls of KCL water		16. Run Casing
				ISIP = 3142 psi, 5 min SIP = 3003 psi, 10 min SIP = 2939 psi		17. Service Rig
				15 min SIP = 2895 psi, shut well in, R/D Halliburton Services		18. Sidetrack Op.
1530	1600	0.5	28	Crew travel from location		19. Stuck Pipe
						20. Survey
				We did not see a break back in the pressure when the acid reached		21. Trips
				the formation. We did not see any ball action when the Bio balls		22. Tst. BOPs
				reached the perforations.		23. UR/HO
						24. W.O.W.
						25. Wash & Ream
						26. Well Control
						27. WOC
						28. Other
						Total
Total Hours		10.0				
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost
Daily		Daily	Gals	Cement:	sx	\$249,656
Cum.		Cum.	831 Gals	Barite:	sx	\$26,916
						Cum. Cost
						\$276,572

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DIV. OF OIL, GAS & MINING

MSC Exploration Daily Completion Report

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Leed #692	DOL 17	DFS 17	Date on Location 3/22/2005	Completion Date Mar 22, 2005	Report Date Apr 8, 2005
MD 7,960	TVD 7,960	Footage PBTB	AFE No.	AFE Amount \$155,202	Auth. TD. 8,224'	Company Representative Jim Lander			
Present Operation Prep to swab				Rig Phone: 254-241-5317	Toolpusher Nat Guerrero				

Current Weather	BLM Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS
Wind:	<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No	LC50 Sample Date	Operator		RKB 15 ft
Seas:	Problem? <input type="checkbox"/> Yes		Contractor	Next BOP Test Date	Water Depth ft
Sky:	<input checked="" type="checkbox"/> No <input type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service		RKB-CHF ft

CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD TVD	Liner Top MD TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	16"		LP		1	37' 37'		Air			
Surface	9 5/8"	32.3	H40	STC	12	534' 534'		Air			
Intermediate/Production	7"	26	L80	LTC	156	6,839' 6,839'		8.8			
Intermediate/Production	7"	23	P110	LTC	14	7,455' 7,455'		8.8			
Production Liner	5"	18	P110	FJ	19	8224' 8224'	7,381' 7,381'	8.7			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade Tooth Bearing Gage		
Bit Remarks:				Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque					
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV DC DP	Speed 1/4 1/2 3/4	SPM	Slow Pump Pressures Pump #1 Pump #2 Pump #3		
1													
2													

BHA

Length:	Description:

MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pt/Mf
PIT																
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer									
PIT					#1 #2 Desand Cent.											
					#3 #4 Desilt Mud Cl	Daily Cost										
																Cumulative Cost \$2,591

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

TIME		Time Code	Boats:	Supply Boat Name:	Status:
FROM	TO				
0600	0700	1.0	28	Crew travel to location	
0700	0900	2.0	28	Tbg pressure 1100 psi, Csg pressure 1900 psi,	
				bled csg pressure to 0 psi, tbg dropped to 1000 psi,	
				open tbg to rig tank, pressure dropped to 0 psi, flowed back less	
				less than a 1/4 bbl of KCL water	
				R/U swab lubricator, fluid level @ surface, made 5 swab runs,	
				recovered a total of 38 bbls of fluid, 5th run tagged fluid level @ 5000'	
				pulled from seat nipple @ 6335'	
				6th run did not tag fluid, pulled from seat nipple, recovered 1 bbl of	
				fluid, samples from runs 3-6 had a brown color, when the samples	
				were left to settle, the clay/ shale (reddish color would settle to the bottom	
				of the sample jars) a total of 39 bbls were recovered	
0900	0930	0.5	28	wait for fluid level to rise	
0930	0945	0.3	28	7th run, tag fluid +/- 50 ft above seat nipple, pull from seat nipple,	
				recovered less than 1/8 bbl of fluid, sample same as above	
0945	1030	0.8	28	wait for fluid level to rise	
1030	1045	0.3	28	8th run, tag fluid +/- 50 ft above seat nipple, pull from seat nipple,	
				recovered less than 1/8 bbl of fluid, sample same as above	
1045	1130	0.8	28	wait for fluid level to rise	
1130	1530	4.0	28	Runs 9-12, tag fluid 75-100' above the seat nipple, pull from seat nipple	
				recovered less than 1/8 bbl of fluid, sample same as above	
				wait 45 minutes between runs for fluid level to rise	
1530	1545	0.3	28	Run #13, did tag fluid, pull from seat nipple,	
				no fluid recovered	
1545	1630	0.8	28	wait for fluid level to rise	
1630	1645	0.3	28	Run #14, 75-100' above seat nipple, pull from seat nipple	
				recovered less than 1/8 bbl of fluid, sample same as above	
1645	1700	0.3	28	SWFN	
1700	1730	0.5	28	Crew travel from location	
				Recovered a total of 40 bbls of fluid, No acid was recovered at the surface	
				Plan to plug back lower section of well	
Total Hours		11.5			
Rig Downtime			Fuel Usage		Previous Cost \$276,572
Daily	Daily		Gals	Cement: sx	Daily Cost \$6,185
Cum.	Cum.		831 Gals	Barite: sx	Cum. Cost \$282,757

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DIV. OF OIL, GAS & MINING

MSC Exploration Daily Completion Report

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Lead #692		DOL 18	DFS 18	Date on Location 3/22/2005	Completion Date Mar 22, 2005	Report Date Apr 9, 2005	
MD 6,340	TVD 6,340	Footage PBDT	AFE No.	AFE Amount \$155,202	Auth. TD. 8,224'	Company Representative Jim Lander					
Present Operation Prep to GIH with tubing				Rig Phone: 254-241-5317			Toolpusher Nat Guerrero				
Current Weather		BLM Visit <input type="checkbox"/> Yes <input type="checkbox"/> No		NPDES LC50 Sample Date		People on Loc.:		Last BOP Test Date		RIG ELEVATIONS	
Wind:		Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No		Operator		Contractor		Next BOP Test Date		RKB 15 ft	
Seas:		Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service				Water Depth		ft	
Sky:								RKB-CHF		ft	

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD TVD		Liner Top MD TVD		MW when Run	LOT Pres EMW Leakoff?		
Conductor	16"		LP		1	37'	37'			Air			
Surface	9 5/8"	32.3	H40	STC	12	534'	534'			Air			
Inmediate/Production	7"	26	L80	LTC	156	6,839'	6,839'			8.8			
Inmediate/Production	7"	23	P110	LTC	14	7,455'	7,455'			8.8			
Production Liner	5"	18	P110	FJ	19	8224'	8224'	7,381'	7,381'	8.7			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD													
BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade Tooth Bearing Gage		
Bit Remarks:				Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque					
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV DC DP		Speed	SPM	Slow Pump Pressures Pump #1 Pump #2 Pump #3	
1										1/4			
2										1/2			
										3/4			

BHA																
Length:		Description:														

MUD DATA																
	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer		Mud Company					
PIT					#1	#2	Desand	Cent.								
					#3	#4	Desilt	Mud-Cl	Daily Cost		Cumulative Cost					
											\$2,591					

DIRECTIONAL SURVEYS									
MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE		

OPERATIONS SUMMARY									
TIME		Time Code	Boats:	Supply Boat Name:	Status:				
FROM	TO	HOUR	Crew Boat Name:	Status:					
0600	0700	1.0	28	Crew travel to location					
0700	0800	1.0	28	Tbg pressure = 0 psi, Csg pressure = 0 psi					
				R/U swab lubricator, Make swab run #15, tag fluid @ 5900',	Time Summary				
				pull from seat nipple, recovered 4 bbis of fluid, sample was a black	Activity				
				color, no red sediment	Daily				
0800	0830	0.5	3	R/U pump and load tbg w/40 bbis of KCL water	Cum.				
0830	1030	2.0	21	Unseat packer and POOH w/ tbg, racked 91 stands in derrick,					
				L/D 20 jts					
1030	1630	6.0	8	M/I & R/U Brandez-X EL unit, RIH w/ 7" CIBP and set @ 6390',					
				50' above the top perf, Dumped 50' of cement on top of the CIBP					
				(It took 6 runs w/ a dump baler to place the cement)					
1630	1700	0.5	28	R/D EL unit, SWFN					
1700	1730	0.5	28	Crew travel from location					
				The lower section was plugged back instructed by					
				Eric Jones w/ BLM					
				Received 4 drums of KCL1, (KCL substitute)					
				Transferred 16 jts of 2 7/8" tbg from MSC State 32-1 to					
				Federal #26-1					
				Transferred 64 jts from Beeman drilling to Federal MSC #26-1					
				Transferred 21 sucker rods and 2 landing rods from MSC State 32-1					
				to Beeman Drilling					
				Sent 96 jts of damaged jts to PRS (Pipe Recovery Service) in					
				Vernal for reconditioning					
				73 jts damaged when the tbg was dropped					
				23 jts were damaged from pervious operations					
				Very Gustly winds today					
Total Hours		11.5							
Rig Downtime									
Daily		Daily	Fuel Usage	Bulk Material on Board	Previous Cost				
Cum.		Cum.	Gals	Cement:	\$282,757				
			Barite:	sx	Daily Cost				
				sx	\$13,484				
					Cum. Cost				
					\$296,241				

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DIV. OF OIL, GAS & MINING

MSC Exploration Daily Completion Report

<u>Block, Lease and Well No.</u> E. Crested Junction - Federal MSC #26-1				<u>Contract Rig</u> Leed #692	<u>DOL</u> 19	<u>DFS</u> 19	<u>Date on Location</u> 3/22/2005	<u>Completion Date</u> Mar 22, 2005	<u>Report Date</u> Apr 10, 2005
<u>MD</u> 6,340	<u>TVD</u> 6,340	<u>Footage</u> PBDT	<u>AFE No.</u>	<u>AFE Amount</u> \$137,806	<u>Auth. TD.</u> 8,224'		<u>Company Representative</u> Jim Lander		
<u>Present Operation</u> SD for Sunday				<u>Rig Phone:</u> 254-241-5317			<u>Toolpusher</u> Nat Guerrero		
				<u>Rig Fax:</u>					

Current Weather	BLM Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS
Wind: <input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator		RKB 15 ft
Seas: <input type="checkbox"/> Problem? <input type="checkbox"/> Yes			Contractor	Next BOP Test Date	Water Depth ft
Sky: <input type="checkbox"/> No <input type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No			Service		RKB-CHF ft

CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD	TVD	Liner Top MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	16"		LP		1	37'	37'			Air			
Surface	9 5/8"	32.3	H40	STC	12	534'	534'			Air			
Intermediate/Production	7"	26	L80	LTC	156	6,839'	6,839'			8.8			
Intermediate/Production	7"	23	P110	LTC	14	7,455'	7,455'			8.8			
Production Liner	5"	18	P110	FJ	19	8224'	8224'	7,381'	7,381'	8.7			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade		
											Tooth	Bearing	Gage
Bit Remarks:				Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque					
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV	Speed	SPM	Slow Pump Pressures		
								DC DP	1/4		Pump #1	Pump #2	Pump #3
1									1/2				
2									3/4				

BHA

Length:	Description:

MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer									
PIT					#1 #2 Desand Cent.											
					#3 #4 Desilt Mud Cl	Daily Cost										
						\$2,813										\$5,404

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

TIME			Time Code	Boats:	Supply Boat Name:	Status:			
FROM	TO	HOURL							
0600	0700	1.0	28	Crew travel to location. BEGIN GROUP 2 COMPLETION.		Time Summary			
0700	0900	2.0	21	TIH w/ 2 7/8" tbg to 5897'		Activity	Daily	Cum.	
0900	1030	1.5	3	Mix 2 drums of KCL-1 in 500 bbls of fresh water		1. Mob/DeMob		7.5	
				Displace well w/ KCL water (equivalent to 6%)		2. Cement		2	
1030	1330	3.0	28	R/U swab lubricator and manifold, Swab down fluid level		3. Circulate	1.5	14.5	
1330	1430	1.0	15	Draw works chain broke, repaired		4. Directional Work			
1430	1600	1.5	28	Continue swabbing, swabbed a total of 160 bbls of KCL water		5. Drilling			
				Estimate fluid level +/- 4300', R/D lubricator		6. Drive Pipe			
1600	1700	1.0	21	POOH and rack in derrick 40 stands, SWFN		7. Fishing		34	
				51 stands in hole		8. OH Logging		10.5	
1700	1730	0.5	28	Crew travel from location		9. Lost Circ.			
						10. Drill Cmt./LOT			
						11. N.U./N.D.			
						12. P.U./L.D. BHA		1	
						13. P.U./L.D. Pipe		22.5	
						14. R/U; R/D		7	
						15. Rig Repair	1	23.5	
						16. Run Casing		11.5	
						17. Service Rig			
						18. Sidetrack Op.			
						19. Stuck Pipe			
				Received 12,000 gals of fresh water from Thompson Springs		20. Survey			
						21. Trips	3	13	
				Perforate 2nd group Monday		22. Tst. BOPs		1	
						23. UR/HO			
						24. W.O.W.			
						25. Wash & Ream			
						26. Well Control			
						27. WOC			
						28. Other	6	64.5	
						Total	11.5	212.5	
Total Hours		11.5							
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost		\$296,241	
Daily		Daily	Gals	Cement:	sx	Daily Cost		\$9,072	
Cum.		Cum.	831 Gals	Barite:	sx	Cum. Cost		\$305,313	

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MAY 25 2005

DIV. OF OIL, GAS & MINING



Current Weather	BLM Visit		NPDES		People on Loc.:		Last BOP Test Date	RIG ELEVATIONS	
Wind:	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<u>LC50 Sample Date</u>		Operator			RKB	15 ft
Seas:	Problem? <input type="checkbox"/> Yes				Contractor		Next BOP Test Date	Water Depth	ft
Sky:	<input checked="" type="checkbox"/> No	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No			Service			RKB-CHF	ft

[illegible]

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade										
											Tooth	Bearing	Gage								
Bit Remarks:					Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque												
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures									
								DC	DP			Pump #1	Pump #2	Pump #3							
								1									1/4				
								2									1/2				
										3/4											

Length:	Description:

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer			Mud Company			
PIT						#1	#2	Desand	Cent.							
						#3	#4	Desilt	Mud Cl	Daily Cost		Cumulative Cost				
												\$5,404				

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

TIME		HOURL	Time Code	Boats:	Supply Boat Name:	Status:
FROM	TO					
0600	0600			SD for Sunday		<div>Time Summary</div> <div> <div>Activity</div> <div>Daily</div> <div>Cum.</div> </div>
						1. Mob/DeMob 7.5
						2. Cement 2
						3. Circulate 14.5
						4. Directional Work
						5. Drilling
						6. Drive Pipe
						7. Fishing 34
						8. OH Logging 10.5
						9. Lost Circ.
						10. Drill Cmt./LOT
						11. N.U./ N.D.
						12. P.U./L.D. BHA 1
						13. P.U./L.D. Pipe 22.5
						14. R/U; R/D 7
						15. Rig Repair 23.5
						16. Run Casing 11.5
						17. Service Rig
						18. Sidetrack Op.
						19. Stuck Pipe
						20. Survey
						21. Trips 13
						22. Tst. BOPs 1
						23. UR/HO
						24. W.O.W.
						25. Wash & Ream
						26. Well Control
						27. WOC
						28. Other 64.5
Total Hours						Total 212.5
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost \$305,313
Daily		Daily	Gals	Cement:	sx	Daily Cost \$2,010
Cum.		Cum.	831 Gals	Barite:	sx	Cum. Cost \$307,323

MAY 25 2005

DIV. OF OIL, GAS & MINING

MSC Exploration Daily Completion Report

<u>Block, Lease and Well No.</u> E. Crested Junction - Federal MSC #26-1				<u>Contract Rig</u> Leed #692	<u>DOI</u> 21	<u>DFS</u> 21	<u>Date on Location</u> 3/22/2005	<u>Completion Date</u> Mar 22, 2005	<u>Report Date</u> Apr 12, 2005
<u>MD</u> 6,340	<u>TVD</u> 6,340	<u>Footage</u> PBSD	<u>AFE No.</u>	<u>AFE Amount</u> \$137,806	<u>Auth. TD.</u>	<u>Company Representative</u> Jim Lander			
<u>Present Operation</u> Prep to do KCL ballout breakdown				<u>Rig Phone:</u> 254-241-5317	<u>Toolpusher</u> Nat Guerrero				

Current Weather	BLM Visit		NPDES		People on Loc.:		Last BOP Test Date	RIG ELEVATIONS	
Wind:	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<u>LC50 Sample Date</u>		Operator			RKB	15 ft
Seas:	Problem? <input type="checkbox"/> Yes				Contractor		Next BOP Test Date	Water Depth	ft
Sky:	<input checked="" type="checkbox"/> No	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No			Service			RKB-CHF	ft

CASING RECORD

[illegible]

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD														
BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
Bit Remarks:					Cum. ROT. Hrs	PU Wt		SO Wt		ROT Wt		Torque		
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP			Pump #1	Pump #2	Pump #3
1										1/4				
2										1/2				
										3/4				

BHA

Length:	Description:

MUD DATA

MOD DATA																
	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer			Mud Company			
PIT						#1	#2	Desand	Cent.							
						#3	#4	Desilt	Mud Cl	Daily Cost		Cumulative Cost				
										\$1,406		\$6,810				

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

[illegible]

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MAY 25 2005

DIV. OF OIL, GAS & MINING

MSC Exploration Daily Completion Report

<u>Block, Lease and Well No.</u> E. Crested Junction - Federal MSC #26-1				<u>Contract Rig</u> Leed #692	<u>DOI</u> 22	<u>DFS</u> 22	<u>Date on Location</u> 3/22/2005	<u>Completion Date</u> Mar 22, 2005	<u>Report Date</u> Apr 13, 2005
<u>MD</u> 6,340	<u>TVD</u> 6,340	<u>Footage</u> PBDT	<u>AFF No.</u>	<u>AFF Amount</u> \$137,806	<u>Auth. TD.</u> 8,224'		<u>Company Representative</u> Jim Lander		
<u>Present Operation</u> Prep to swab well				<u>Rig Phone:</u> <u>Rig Fax:</u>	254-241-5317		<u>Toolpusher</u> Nat Guerrero		

Current Weather	BLM Visit	NPDES	People on Loc.:		Last BOP Test Date	RIG ELEVATIONS
Wind:	<input type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator			RKB 15 ft
Seas:	Problem? <input type="checkbox"/> Yes		Contractor		Next BOP Test Date	Water Depth ft
Sky:	<input type="checkbox"/> No Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service			RKB-CHF ft

CASING RECORD

[illegible]

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD														
BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
Bit Remarks:					Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque					
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP	1/4		Pump #1	Pump #2	Pump #3
1										1/2				
2										3/4				

BHA

MUD DATA

MUD DATA																
	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pt/Mf
PIT																
	Chlorides		Ca++		Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer			Mud Company		
PIT							#1	#2	Desand	Cent.						
							#3	#4	Desilt	Mud Cl	Daily Cost			Cumulative Cost		
														\$6,810		

DIRECTIONAL SURVEYS

OPERATIONS SUMMARY

OPERATIONS SUMMARY				Boats:		Supply Boat Name: _____		Status: _____		
TIME		HOUR	Time Code	Crew Boat Name: _____		Status: _____				
FROM	TO									
0600	0700	1.0	28	Crew travel to location			Time Summary			
0700	0730	0.5	28	0 psi on tbq, R/U swab lubricator, RIH to seat nipple, POOH,			Activity	Daily	Cum.	
0730	1200	4.5	28	Did not tag fluid, did not recover any fluid, R/D swab lubricator			1. Mob/DeMob		7.5	
				M/I & R/U Halliburton Stimulation Equipment, Install isolation tool,			2. Cement		2	
				Pressure test lines to 7000 psi, ok, Pressure csg to 1200 psi, start filling			3. Circulate		14.5	
				tbq w/ treated 6% KCL water (.5 gal/ Mgal of FR-26L ,Friction reducer,			4. Directional Work			
				1 gal/ M gal of Losurf-300, surfactant), tbq pressure increased to			5. Drilling			
				7000 psi, pumping @ 2 bpm, gradually increase rate, pressure staying			6. Drive Pipe			
				above 6500 psi, when rate increased to 4 bpm, started dropping balls,			7. Fishing		34	
				continue to increase rate to 6 bpm, dropped a total of 150 balls.			8. OH Logging		12.5	
				Did not see any ball action, however there was some problems			9. Lost Circ.			
				keeping the rate constant at pressures greater 6500 psi.			10. Drill Cmt./LOT			
				Pumped a total of 6136 gals, shut down, ISIP 3919 psi, monitored pressure			11. N.U./ N.D.			
				for 30 minutes after completion of job. Final pressure 2937 psi,			12. P.U./L.D. BHA		1	
				We did not see any break in pressure, as if we created a fracture.			13. P.U./L.D. Pipe		22.5	
				Shut well in to R/D Halliburton Services			14. R/U; R/D		7	
1200	1500	3.0	28	Tbg pressure 3000 psi, Open tbq to rig tank , pressure bled to 0 psi,			15. Rig Repair		23.5	
				tbq continue to flow, tbq flowing @ 4-5 BPH initially, then gradually			16. Run Casing		11.5	
				slowed to 1-2 BPH, recovered a total of 12 bbls of treatment fluid			17. Service Rig			
1500	1600	1.0	28	RIH w/ swab line, fluid level @ surface, made 4 runs, recovered 34 bbls,			18. Sidetrack Op.			
				4th run pulled from seat nipple, 5th run tagged fluid level @ 5450',			19. Stuck Pipe			
				pulled from seat nipple, recovered 1 bbl, fluid had a black tint			20. Survey			
1600	1645	0.8	28	Wait for fluid level to rise			21. Trips		18	
1645	1700	0.3	28	Make 6th run, tag fluid level @ 5200', pulled from seat nipple			22. Tst. BOPs		1	
				recovered 2 bbls of fluid, fluid had a brown color, SWFN			23. UR/HO			
				Swabbed a total of 37 bbls, flowed back a total of 12 bbls			24. W.O.W.			
				recovered a total of 49 bbls			25. Wash & Ream			
1700	1730	0.5	28	Crew travel from location			26. Well Control			
							27. WOC			
							28. Other	11.5	80.5	
							Total	11.5	235.5	
Total Hours		11.5								
Rig Downtime		Fuel Usage			Bulk Material on Board			Previous Cost \$326,330		
Daily		Daily	Gals	Cement:	sx	Daily Cost	\$24,221			
Cum.		Cum.	831 Gals	Barite:	sx	Cum. Cost	\$350,551			

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MAY 25 2005

DIV. OF OIL, GAS & MINING

MSC Exploration Daily Completion Report

<u>Block, Lease and Well No.</u> E. Crested Junction - Federal MSC #26-1				<u>Contract Rig</u> Leed #692	<u>DOL</u> 23	<u>DFS</u> 23	<u>Date on Location</u> 3/22/2005	<u>Completion Date</u> Mar 22, 2005	<u>Report Date</u> Apr 14, 2005
<u>MD</u> 6,340	<u>TVD</u> 6,340	<u>Footage</u> PBSD	<u>AFE No.</u>	<u>AFE Amount</u> \$137,806	<u>Auth. TD.</u> 8,224'	<u>Company Representative</u> Jim Lander			
<u>Present Operation</u> GIH w/ RBP				<u>Rig Phone:</u> <u>Rig Fax:</u>	254-241-5317		<u>Toolpusher</u> Nat Guerrero		

Current Weather	BLM Visit		NPDES			People on Loc.:		Last BOP Test Date	RIG ELEVATIONS	
Wind:	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<u>LC50 Sample Date</u>			Operator			RKB	15 ft
Seas:	Problem?	<input type="checkbox"/> Yes				Contractor		Next BOP Test Date	Water Depth	ft
Skv:	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Pass?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	Service			RKB-CHF	ft

CASING RECORD

[illegible]

BIT. WEIGHT. SPEED AND HYDRAULICS RECORD									
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BIT, WEIGHT, SPEED AND HYDRAULICS RECORD														
BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
Bit Remarks:					Cum. ROT. Hrs	PU Wt		SO Wt		ROT Wt		Torque		
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP			Pump #1	Pump #2	Pump #3
1										1/4				
2										1/2				
										3/4				

BHA

BHA	
Length:	Description:

MUD DATA

MUD DATA																
	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pt/Mf
PIT																
	Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer			Mud Company			
PIT						#1	#2	Desand	Cent.							
						#3	#4	Desilt	Mud Cl	Daily Cost			Cumulative Cost			
														\$6,810		

DIRECTIONAL SURVEYS

[illegible]

OPERATIONS SUMMARY

OPERATIONS SUMMARY				Boats:	Supply Boat Name:	Status:
TIME		HOUR	Time Code	Crew Boat Name:		Status:
FROM	TO					
0600	0700	1.0	28	Crew travel to location		
0700	0745	0.8	28	0 psi on tbg, Open Slight blow, open to flare pit, no gas, only air,		
				R/U swab lubricator, Made swab run #7, tag fluid @ 2400', recovered	1. Mob/DeMob	7.5
				8 bbls, fluid had a black tint, made swab run #8, tag fluid @ 3900',	2. Cement	2
				recovered 8 bbls, made swab run #9, tag fluid @ 5200', pull from seat	3. Circulate	14.5
				nipple, recovered 2 bbls, a total of 18 bbls,	4. Directional Work	
0745	0830	0.8	28	Wait for fluid level to rise	5. Drilling	
0830	0845	0.3	28	Made swab run #10, tag fluid level @ 5400', pull from seat nipple (5,530')	6. Drive Pipe	
				recovered 1/2 bbls	7. Fishing	34
0845	0930	0.8	28	Wait for fluid level to rise	8. OH Logging	12.5
0930	0945	0.3	28	Made swab run #11, tag fluid level @ 5350', pull from seat nipple,	9. Lost Circ.	
				recovered 1/2 bbls	10. Drill Cmt./LOT	
0945	1045	1.0	28	Wait for fluid level to rise	11. N.U./ N.D.	2
1045	1100	0.3	28	Made swab run #12, tag fluid level @ 5350', pull from seat nipple,	12. P.U./L.D. BHA	1
				recovered 1 bbl	13. P.U./L.D. Pipe	22.5
				Total fluid recovered today, 20 bbls, two day total of 69 bbls	14. R/U; R/D	7
1100	1300	2.0	11	Load tbg w/ KCL water, N/D production tree, N/U BOPs,	15. Rig Repair	23.5
1300	1530	2.5	21	Unset packer and POOH w/ arrow set packer	16. Run Casing	11.5
1530	1600	0.5	28	Crew travel from location	17. Service Rig	
					18. Sidetrack Op.	
					19. Stuck Pipe	
					20. Survey	
					21. Trips	2.5
					22. Tst. BOPs	1
				Received 12,000 gals of fresh water from Thompson Springs	23. UR/HO	
					24. W.O.W.	
					25. Wash & Ream	
					26. Well Control	
					27. WOC	
					28. Other	5.5
					Total	10
Total Hours		10.0				
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost
Daily		Daily	Gals	Cement:	sx	Daily Cost
Cum		Cum	831	Barite:	sx	Cum. Cost
						\$350,551
						\$6,262
						\$356,813

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MAY 25 2005

DIV. OF OIL, GAS & MINING



Current Weather	BLM Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS
Wind:	<input type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator		RKB 15 ft
Seas:	Problem? <input type="checkbox"/> Yes		Contractor	Next BOP Test Date	Water Depth ft
Sky:	<input type="checkbox"/> No Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service		RKB-CHF ft

[illegible]

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD															
BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade				
											Tooth	Bearing	Gage		
Bit Remarks:					Cum. ROT. Hrs	PU Wt		SO Wt		ROT Wt		Torque			
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures			
								DC	DP				Pump #1	Pump #2	Pump #3
1										1/4					
2										1/2					
										3/4					

[illegible]

MUD DATA																
	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pt/Mf
PIT																
	Chlorides		Ca++		Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer			Mud Company		
PIT							#1	#2	Desand	Cent.						
							#3	#4	Desilt	Mud Cl	Daily Cost		Cumulative Cost			
													\$6,810			

DIRECTIONAL SURVEYS							
MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY				Boats:		Supply Boat Name:		Status:	
TIME		HOUR	Time Code	Crew Boat Name:		Status:			
FROM	TO								
0600	0700	1.0	28	Crew travel to location. Begin GROUP #3.			Time Summary		
0700	0900	2.0	21	P/U 7" Lo-set RBP and TIH to 5629'			Activity	Daily	
0900	1200	3.0	8	R/U Brande-X EL unit, RIH w/ CC/ Gamma Ray, run logging strip to correlate depths to set 7" RPB, POOH w/ EL tools			1. Mob/DeMob	7.5	
				Adjust tbg to place bottom of place 7" RPB @ 5628', top of packer @ 5621', Test packer and release setting tool, Pressure RPB and 7" csg to 1000 psi, for 10 minutes, good test, release pressure			2. Cement	2	
							3. Circulate	14.5	
							4. Directional Work		
							5. Drilling		
1200	1630	4.5	28	R/U swab lubricator, swab 154 bbls, R/D swab lubricator			6. Drive Pipe		
1630	1800	1.5	21	POOH w/ setting tool, SWFN			7. Fishing	34	
				Estimate fluid level +/- 4100 ft			8. OH Logging	3	
1800	1830	0.5	28	Crew travel from location			9. Lost Circ.		
							10. Drill Cmt./LOT		
							11. N.U./ N.D.	2	
							12. P.U./L.D. BHA	1	
							13. P.U./L.D. Pipe	22.5	
							14. R/U; R/D	7	
							15. Rig Repair	23.5	
							16. Run Casing	11.5	
							17. Service Rig		
							18. Sidetrack Op.		
							19. Stuck Pipe		
							20. Survey		
							21. Trips	3.5	
							22. Tst. BOPs	1	
							23. UR/HO		
							24. W.O.W.		
							25. Wash & Ream		
							26. Well Control		
							27. WOC		
							28. Other	6	
							Total	12.5	
Total Hours		12.5							
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost		\$356,813	
Daily		Daily	Gals	Cement:	sx	Daily Cost	\$9,740		
Cum		Cum	831	Barite:	sx	Cum. Cost	\$366,553		

MAY 25 2005

DIV. OF OIL, GAS & MINING

MSC Exploration Daily Completion Report

<u>Block, Lease and Well No.</u> E. Crested Junction - Federal MSC #26-1				<u>Contract Rig</u> Lead #692	<u>DOL</u> 25	<u>DFS</u> 25	<u>Date on Location</u> 3/22/2005	<u>Completion Date</u> Mar 22, 2005	<u>Report Date</u> Apr 16, 2005
<u>MD</u> 5,629	<u>TVD</u> 5,629	<u>Footage</u> PBTB	<u>AFE No.</u>	<u>AFE Amount</u> \$123,841	<u>Auth. TD.</u> 8,224'		<u>Company Representative</u> Jim Lander		
<u>Present Operation</u> SD for Weekend				<u>Rig Phone:</u>	254-241-5317		<u>Toolpusher</u>		
				<u>Rig Fax:</u>			Nat Guerrero		

Current Weather	BLM Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS
Wind:	<input type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator		RKB 15 ft
Seas:	Problem? <input type="checkbox"/> Yes		Contractor	Next BOP Test Date	Water Depth ft
Sky:	<input type="checkbox"/> No <input type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service		RKB-CHF ft

CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD	TVD	Liner Top MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	16"		LP		1	37'	37'			Air			
Surface	9 5/8"	32.3	H40	STC	12	534'	534'			Air			
Intermediate/Production	7"	26	L80	LTC	156	6,839'	6,839'			8.8			
Intermediate/Production	7"	23	P110	LTC	14	7,455'	7,455'			8.8			
Production Liner	5"	18	P110	FJ	19	8224'	8224'	7,381'	7,381'	8.7			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade		
											Tooth	Bearing	Gage
Bit Remarks:					Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque				
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV	Speed	SPM	Slow Pump Pressures		
								DC	DP	1/4	Pump #1	Pump #2	Pump #3
1										1/2			
2										3/4			

BHA

Length:	Description:

MUD DATA

MUD DATA																
	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer				Mud Company		
PIT						#1	#2	Desand	Cent.							
						#3	#4	Desilt	Mud Cl	Daily Cost				Cumulative Cost		
										\$1,406				\$8,216		

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

OPERATIONS SUMMARY				Boats:	Supply Boat Name:	Status:	
TIME		HOUR	Time Code	Crew Boat Name:		Status:	
FROM	TO						
0600	0700	1.0	28	Crew travel to location			
0700	1100	4.0	8	R/U Brande-X perforating unit, RIH w/ sand bailer & tag top of RBP @ 5620', dump 1 /2 sk of sand on top of RPB, POOH, P/U 1st perforating gun & TIH,tag fluid level @ 4260', tag top of sand @ 5618', P/U & perforate intervals 5612- 5616', & 5602-5606', 3 shts/ ft w/ 120 deg phasing, attempt to perforate interval 5560' - 5570', perforating gun did not fire, POOH, repair perforating gun, RIH and perforate interval, 5560-5570', 3 shv/ ft, 120 deg phasing, POOH, P/U 2nd perforating gun, no change in fluid level, perforate interval 5544' - 5560', 3 sht/ft, 120 deg phasing, POOH, R/D El unit	Time Summary		
					Activity	Daily	Cum.
					1. Mob/DeMob		7.5
					2. Cement		2
					3. Circulate		14.5
					4. Directional Work		
					5. Drilling		
					6. Drive Pipe		
					7. Fishing		34
					8. OH Logging	4	19.5
1100	1300	2.0	21	P/U 7" Arrow set packer & seat nipple, TIH on 87 stands of 2 7/8" tbg install tbg hanger and land packer w/ 28 kips of weight @ 5468' engage lock-down pins, test csg to 500 psi, ok,	9. Lost Circ.		
					10. Drill Cmt./LOT		
					11. N.U./ N.D.	1	3
1300	1400	1.0	11	N/D BOPs and N/U production tree, test csg to 1500 psi for 10 minutes, ok.	12. P.U./L.D. BHA		1
1400	1430	0.5	28	R/U swab lubricator, RIH and tag fluid level @ 3800' made 2 runs, 2nd run tagged seat nipple @ 5462', recovered 12 bbls of fluid	13. P.U./L.D. Pipe		22.5
					14. R/U; R/D		7
					15. Rig Repair		23.5
1430	1530	1.0	28	Wait for fluid level to rise	16. Run Casing		11.5
1530	1600	0.5	28	RIH and tag fluid level +/- 50' above seat nipple, recovered 1 bbls SWFN	17. Service Rig		
					18. Sidetrack Op.		
1600	1630	0.5	28	Crew travel from location	19. Stuck Pipe		
					20. Survey		
					21. Trips	2	26
					22. Tst. BOPs		1
					23. UR/HO		
					24. W.O.W.		
					25. Wash & Ream		
					26. Well Control		
					27. WOC		
					28. Other	3.5	95.5
					Total	10.5	268.5
Total Hours		10.5					
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost	\$366,553
Daily		Daily	Gals	Cement:	sx	Daily Cost	\$18,729
Cum.		Cum.	831 Gals	Barite:	sx	Cum. Cost	\$385,282

RECEIVED

MAY 25 2005

DIV. OF OIL, GAS & MINING



OPERATIONS SUMMARY				Boats:		Supply Boat Name:		Status:	
TIME		HOUR	Time Code	Crew Boat Name:		Status:			
FROM	TO								
0600	0600			SD for Weekend. WO frac pump truck.			<div>Time Summary</div> <div> <div>Activity</div> <div>Daily</div> <div>Cum.</div> </div>		
							1. Mob/DeMob	7.5	
							2. Cement	2	
							3. Circulate	14.5	
							4. Directional Work		
							5. Drilling		
							6. Drive Pipe		
							7. Fishing	34	
							8. OH Logging	19.5	
							9. Lost Circ.		
							10. Drill Cmt./LOT		
							11. N.U./N.D.	3	
							12. P.U./L.D. BHA	1	
							13. P.U./L.D. Pipe	22.5	
							14. R/U; R/D	7	
							15. Rig Repair	23.5	
							16. Run Casing	11.5	
							17. Service Rig		
							18. Sidetrack Op.		
							19. Stuck Pipe		
							20. Survey		
							21. Trips	26	
							22. Tst. BOPs	1	
							23. UR/HO		
							24. W.O.W.		
							25. Wash & Ream		
							26. Well Control		
							27. WOC		
							28. Other	95.5	
Total Hours							Total	268.5	
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost		\$385,282	
Daily		Daily	Gals	Cement:	sx	Daily Cost	\$2,010		
Cum.		Cum.	831 Gals	Barite:	sx	Cum. Cost	\$387,292		

MAY 25 2005

DIV. OF OIL, GAS & MINING



MSC Exploration Daily Completion Report

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Leed #692	DOL 27	DPS 27	Date on Location 3/22/2005	Completion Date Mar 22, 2005	Report Date Apr 18, 2005
MD 5,629	TVD 5,629	Footage P8TD	AFE No.	AFE Amount \$123,841	Auth. TD. 8,224'	Company Representative Jim Lander			
Present Operation Prep to perform KCL breakdown				Rig Phone: Rig Fax:	254-241-5317		Toolpusher Nat Guerrero		

Current Weather	BLM Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS
Wind:	<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No	LC50 Sample Date	Operator		RKB 15 ft
Seas:	Problem? <input type="checkbox"/> Yes		Contractor	Next BOP Test Date	Water Depth ft
Sky:	<input checked="" type="checkbox"/> No <input type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service		RKB-CHF ft

CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD	TVD	Liner Top MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	16"		LP		1	37'	37'			Air			
Surface	9 5/8"	32.3	H40	STC	12	534'	534'			Air			
Inmediate/Production	7"	26	L80	LTC	156	6,839'	6,839'			8.8			
Inmediate/Production	7"	23	P110	LTC	14	7,455'	7,455'			8.8			
Production Liner	5"	18	P110	FJ	19	8224'	8224'	7,381'	7,381'	8.7			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade Tooth Bearing Gage
Bit Remarks:				Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque			
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV DC DP	Speed 1/4 1/2 3/4	SPM	Slow Pump Pressures Pump #1 Pump #2 Pump #3
1											
2											

BHA

Length:	Description:

MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer		Mud Company							
PIT					#1 #2 Desand Cent.											
					#3 #4 Desilt Mud Cl	Daily Cost			Cumulative Cost							
									\$8,216							

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

TIME		Time Code	Boats:	Supply Boat Name:	Status:	
FROM	TO					
0600	0600					
			SD for Weekend. WO frac pump truck.		Time Summary	
					Activity	Daily Cum.
					1. Mob/DeMob	7.5
					2. Cement	2
					3. Circulate	14.5
					4. Directional Work	
					5. Drilling	
					6. Drive Pipe	
					7. Fishing	34
					8. OH Logging	19.5
					9. Lost Circ.	
					10. Drill Cmt./LOT	
					11. N.U./N.D.	3
					12. P.U./L.D. BHA	1
					13. P.U./L.D. Pipe	22.5
					14. R/U; R/D	7
					15. Rig Repair	23.5
					16. Run Casing	11.5
					17. Service Rig	
					18. Sidetrack Op.	
					19. Stuck Pipe	
					20. Survey	
					21. Trips	26
					22. Tst. BOPs	1
					23. UR/HO	
					24. W.O.W.	
					25. Wash & Ream	
					26. Well Control	
					27. WOC	
					28. Other	95.5
					Total	268.5
Total Hours						
Rig Downtime			Fuel Usage		Bulk Material on Board	Previous Cost \$387,292
Daily	Daily		Gals	Cement:	sx	Daily Cost \$2,010
Cum.	Cum.		831 Gals	Barite:	sx	Cum. Cost \$389,302

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DIV. OF OIL, GAS & MINING

MSC Exploration Daily Completion Report

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Leed #892		DOL 28	DFS 28	Date on Location 3/22/2005	Completion Date Mar 22, 2005	Report Date Apr 19, 2005	
MD 5,629	TVD 5,629	Footage PBTD	AFE No.	AFE Amount \$123,841	Auth. TD. 8,224'	Company Representative Jim Lander					
Present Operation Swabbing				Rig Phone: 254-241-5317			Toolpusher Nat Guerrero				
Current Weather		BLM Visit		NPDES		People on Loc.:		Last BOP Test Date		RIG ELEVATIONS	
Wind:		<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No		LC50 Sample Date		Operator				RKB 15 ft	
Seas:		Problem? <input type="checkbox"/> Yes				Contractor		Next BOP Test Date		Water Depth ft	
Sky:		<input checked="" type="checkbox"/> No		Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service				RKB-CHF ft	

CASING RECORD													
Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth		Liner Top		MW when	LOT		
						MD	TVD	MD	TVD	Run	Pres	EMW	Leakoff?
Conductor	16"		LP		1	37'	37'			Air			
Surface	9 5/8"	32.3	H40	STC	12	534'	534'			Air			
Intermediate/Production	7"	26	L80	LTC	156	6,839'	6,839'			8.8			
Intermediate/Production	7"	23	P110	LTC	14	7,455'	7,455'			8.8			
Production Liner	5"	18	P110	FJ	19	8224'	8224'	7,381'	7,381'	8.7			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD													
BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade		
											Tooth	Bearing	Gage
Bit Remarks:				Cum. ROT. Hrs		PU Wt	SO Wt	ROT Wt		Torque			
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures	
								DC	DP			1/4	Pump #1
1										1/2			
2										3/4			

BHA													
Length:		Description:											

MUD DATA																
	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pt/Mf
PIT																
		Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer		Mud Company				
PIT						#1	#2	Desand	Cent.							
						#3	#4	Desilt	Mud Cl	Daily Cost	Cumulative Cost					
												\$8,216				

DIRECTIONAL SURVEYS													
MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE						

OPERATIONS SUMMARY													
TIME		Time Code	Boats:	Supply Boat Name:	Crew Boat Name:	Status:	Time Summary						
FROM	TO						Activity	Daily	Cum.				
0600	0700	1.0	28	Crew travel to location									
0700	0800	1.0	28	0 psi on tbg, R/U swab lubricator, 1st run, tag fluid @ 2100'									
0800	1100	3.0	28	made 4 runs, last run tag fluid level @ 5350', pull from seat nipple @ 5461', recovered total of 23 bbls, black colored water, some sediment settled to bottom of sample jar, Larry took samples.		1. Mob/DeMob		7.5					
				M/I & R/U Halliburton stimulation Equipment, pressure test lines to 8300 psi.		2. Cement		2					
				Load tbg w/ 6% KCL water w/ 1 gal/ 1000 gals Lo-surf 300 (surfactant), & .5 gals/ FR-26LC, pressure increased to 4500 psi as tbg was filled, it appeared that the pressure was starting to break back when the electronic system crashed. Shut down to restart system, bring up rate to 4 BPM		3. Circulate		14.5					
				start dropping balls, pressure was very erratic, shut down, change pumps, continue pumping, pumped a total of 7434 gals or 177 bbls, final pump rate 7.5 BPM @ 6100 psi, shut down ISIP = 4223 psi,		4. Directional Work							
				5 min ISIP = 3477 psi, 10 min ISIP = 3265 psi, 15 min ISIP = 3137 psi		5. Drilling							
				Shit-in well, R/D Halliburton Services		6. Drive Pipe							
				Tbg pressure is 2500 psi, open to rig tank, pressure dropped to 0 psi, well flowing @ 10 bbls/ 1/2 hr		7. Fishing		34					
				Well flowing 0 psi, 9 bbls/ 1/2 hr, 19 bbls total treatment fluid flowed back		8. OH Logging		19.5					
				Well flowing 0 psi, 3 1/2 bbl/ 1/2 hr, 22 1/2 bbls total, treatment fluid		9. Lost Circ.							
				Well flowing 0 psi, 3 bbls/ 1/2 hr		10. Drill Cmt./LOT							
				Well flowing 0 psi, 1/2 bbls/ 1/2 hr, total 26 bbls flowed back		11. N.U./ N.D.		3					
				R/U swab lubricator, fluid level @ surface, made 6 runs, last run, tag fluid @ 5200', pull from seat nipple, recovered a total of 61 bbls		12. P.U./L.D. BHA		1					
				Wait for fluid level to rise		13. P.U./L.D. Pipe		22.5					
				Make swab run #7, tag fluid level @ 4300', recovered 5 bbls,		14. R/U; R/D		7					
				Wait for fluid level to rise		15. Rig Repair		23.5					
				Make swab run #8, tag fluid level @ 4400', recovered 4 bbls,		16. Run Casing		11.5					
				Fluid recovered is black, allowed to set, a black sediment drops to the bottom of the sample jar		17. Service Rig							
				SWFN, swabbed and flowed back a total of 70 bbls		18. Sidetrack Op.							
				Crew travel from location		19. Stuck Pipe							
						20. Survey							
						21. Trips		26					
						22. Tst. BOPs		1					
						23. UR/HO							
						24. W.O.W.							
						25. Wash & Ream							
						26. Well Control							
						27. WOC							
						28. Other		11.5	107				
						Total		11.5	280				
Total Hours		11.5											
Rig Downtime			Fuel Usage		Bulk Material on Board		Previous Cost		\$389,302				
Daily	Daily		Gals	Cement:	Barite:	sx	Daily Cost		\$26,732				
Cum.	Cum.		831	Gals		sx	Cum. Cost		\$416,034				

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DIV. OF OIL, GAS & MINING

MSC Exploration
Daily Completion Report

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Leed #692	DOL 29	DFS 29	Date on Location 3/22/2005	Completion Date Mar 22, 2005	Report Date Apr 20, 2005
MD 5,629	TVD 5,629	Footage PBDT	AFE No.	AFE Amount \$123,841	Auth. TD. 8,224'		Company Representative Jim Lander		
Present Operation Conduct Acid Treatment on Group 3 Perforations				Rig Phone: 254-241-5317	Toolpusher Nat Guerrero				

Current Weather	BLM Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS
Wind:	<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No	LC50 Sample Date	Operator		RKB 15 ft
Seas:	Problem? <input type="checkbox"/> Yes		Contractor	Next BOP Test Date	Water Depth ft
Sky:	<input checked="" type="checkbox"/> No <input type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service		RKB-CHF ft

CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD	TVD	Liner Top MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	16"		LP		1	37'	37'			Air			
Surface	9 5/8"	32.3	H40	STC	12	534'	534'			Air			
Intermediate/Production	7"	26	L80	LTC	156	6,839'	6,839'			8.8			
Intermediate/Production	7"	23	P110	LTC	14	7,455'	7,455'			8.8			
Production Liner	5"	18	P110	FJ	19	8224'	8224'	7,381'	7,381'	8.7			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade Tooth	Bearing	Gage
Bit Remarks:					Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque				
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV	Speed	SPM	Slow Pump Pressures Pump #1	Pump #2	Pump #3
								DC DP	1/4				
1									1/2				
2									3/4				

BHA

Length:	Description:

MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer									
PIT					#1 #2 Desand Cent.											
					#3 #4 Desilt Mud Cl	Daily Cost										
																Cumulative Cost \$8,216

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

TIME		HOUR	Time Code	Boats:	Supply Boat Name:	Status:
FROM	TO					
0600	0700	1.0	28	Crew travel to location	Crew Boat Name:	Status:
0700	0830	1.5	28	20 psi on tbg, 400 psi on csg, open tbg to flare pit, air only, no gas		
				R/U swab lubricator, made 9th run, tag fluid @ 1300', recovered 6 bbls		
				of black water, followed by gray water, red sediment was in the bottom		
				of the sample after allowing it to settle		
				made 5 runs, last run tag fluid level @ 5350', pull from seat nipple @		
				5461', recovered total of 27 bbls, each sample about the same		
				No indication of oil or gas		
0830	0930	1.0	28	Wait for fluid to rise		
0930	0945	0.3	28	Run 14, tag fluid @ 4900', pulled from seat nipple, recovered 3 bbls		
				of reddish-black water turning to gray, after allowing red sediment to settle,		
				wt of water was 9 ppg.		
0945	1045	1.0	28	Wait for fluid to rise		
1045	1100	0.3	28	Run 15, tag fluid @ 4800', pulled from seat nipple, recovered 3 bbls		
				of red colored water turning to gray, red sediment in bottom of sample		
1100	1200	1.0	28	Wait for fluid to rise		
1200	1215	0.3	28	Run 16, tag fluid @ 4800', pulled from seat nipple, recovered 3 bbls		
				of red colored water turning to gray, red sediment in bottom of sample		
1215	1300	0.8	28	Wait for fluid to rise		
1300	1315	0.3	28	Run 17, tag fluid @ 5200', pulled from seat nipple, recovered 2 bbls		
				of red colored water turning to gray, red sediment in bottom of sample		
1315	1400	0.8	28	Wait for fluid to rise		
1400	1415	0.3	28	Run 18, tag fluid @ 5200', pulled from seat nipple, recovered 2 bbls		
				of red colored water turning to gray, sample same, water weighed 9.2 ppg		
1415	1500	0.8	28	Wait for fluid to rise		
1500	1515	0.3	28	Run 19, tag fluid @ 5200', pulled from seat nipple, recovered 1 bbls		
				of red colored water turning to gray, red sediment in bottom of sample		
1515	1530	0.3	28	SWFN, Crew had safety meeting		
1530	1600	0.5	28	Crew travel from location		
				Recovered total today 41 bbls, 2 day total 111 bbls, no signs		
				of oil or gas, samples taken when fluid starts to enter the tank		
Total Hours		10.0				
Rig Downtime				Fuel Usage	Bulk Material on Board	Previous Cost
Daily		Daily		Gals	Cement: sx	\$416,034
Cum.		Cum.		831 Gals	Barite: sx	Daily Cost \$5,655
						Cum. Cost \$421,689

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OF OIL, GAS & MINING

MSC Exploration Daily Completion Report

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Lead #692	DOL 30	DFS 30	Date on Location 3/22/2005	Completion Date Mar 22, 2005	Report Date Apr 21, 2005
MD 5,629	TVD 5,629	Footage PBDT	AFE No.	AFE Amount \$123,841	Auth. TD. 8,224'	Company Representative Jim Lander			
Present Operation Swabbing well				Rig Phone: 254-241-5317	Toolpusher Nat Guerrero				
Rig Fax:									

Current Weather	BLM Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS
Wind: <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No	LC50 Sample Date	Operator		RKB 15 ft
Seas: <input type="checkbox"/> Problem? <input type="checkbox"/> Yes	<input type="checkbox"/> Yes		Contractor	Next BOP Test Date	Water Depth ft
Sky: <input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> No	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service		RKB-CHF ft

CASING RECORD													
Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD	TVD	Liner Top MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	16"		LP		1	37'	37'			Air			
Surface	9 5/8"	32.3	H40	STC	12	534'	534'			Air			
Intermediate/Production	7"	26	L80	LTC	156	6,839'	6,839'			8.8			
Intermediate/Production	7"	23	P110	LTC	14	7,455'	7,455'			8.8			
Production Liner	5"	18	P110	FJ	19	8224'	8224'	7,381'	7,381'	8.7			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD													
BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade		
											Tooth	Bearing	Gage
Bit Remarks:				Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque					
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures	
								DC	DP	1/4		Pump #1	Pump #2
1										1/2			
2										3/4			

BHA													
Length:	Description:												

MUD DATA																
	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer		Mud Company				
PIT						#1	#2	Desand	Cent.							
						#3	#4	Desilt	Mud Cl	Daily Cost	Cumulative Cost					
											\$8,216					

DIRECTIONAL SURVEYS													
MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE						

OPERATIONS SUMMARY													
TIME				Boats:	Supply Boat Name:	Status:							
FROM	TO	HOUR	Time Code	Crew Boat Name:	Status:								
0600	0700	1.0	28	Crew travel to location									
0700	0730	0.5	28	50 psi on tbg, 70 psi on csg, open tbg to flare pit, air only, no gas									
				Make Run 20, Tag fluid @ 2900', recovered 8 bbls, fluid had black color,	1. Mob/DeMob	7.5							
				Run 21, tagged fluid level @ 4300' rec. 6 bbls, fluid same	2. Cement	2							
				Red sediment in the bottom of the sample jars, after allowing	3. Circulate	14.5							
				time to settle, R/D swab equipment, pressure test csg to 1000 psi, ok.	4. Directional Work								
0730	1200	4.5	28	M/I & R/U Halliburton Acid Treatment equipment, Test lines to 7000 psi,	5. Drilling								
				Conduct acid treatment: Pumped 10 bbls of 15% HCL w/ additives,	6. Drive Pipe								
				then started dropping 4 bio-balls/ per bbl of acid, after pumping 31 bbls	7. Fishing	34							
				of acid, tbg was full, pressure increased to 4940 psi and broke back	8. OH Logging	19.5							
				to 4550 psi, kept rate @ 3.3 bpm, pumped a total of 1900 gals of acid,	9. Lost Circ.								
				displaced w/ 2000 gals of 6% KCL, after approx half the displace gone,	10. Drill Cmt./LOT								
				increased rate to 4.5 BPM, @ 5200 psi, shut down ISIP 4230 psi,	11. N.U./N.D.	3							
				5 min SIP 3231 psi, 10 min SIP = 2978 psi, 15 min SIP = 2796 psi	12. P.U./L.D. BHA	1							
				Monitor well for 30 min for post treatment data	13. P.U./L.D. Pipe	22.5							
				R/D Halliburton, Acid in place for 2 hrs before flowing back	14. R/U; R/D	7							
1200	1300	1.0	28	Open well to tank, 2100 psi on tbg, 1900 psi on csg, pressure bled to	15. Rig Repair	23.5							
				0 psi, first 1/2 hr flowed back 5 bbls, 2nd 1/2 hr - 2.5 bbls, clean KCL water	16. Run Casing	11.5							
1300	1400	1.0	28	R/U to swab to rig tank, Run 1, fluid level @ surface, recovered 8 bbls,	17. Service Rig								
				clean KCL water, 2nd run, tagged @ 1200', rec. 9 bbls clean KCL water	18. Sidetrack Op.								
				3rd run, tagged @ 2400', rec. 9 bbls, KCL water getting dirty	19. Stuck Pipe								
				4 th run, tag @ 3600', rec 6 bbls, trace of acid in KCL water, run #5,	20. Survey								
				tagged fluid @ 4700', pulled from Seat nipple, rec. 5 bbls spent acid	21. Trips	26							
1400	1500	1.0	28	wait for fluid to rise	22. Tst. BOPs	1							
1500	1515	0.3	28	Run #6, tag @ 4300', recovered 8 bbls, spent acid	23. UR/HO								
1515	1600	0.8	28	wait for fluid to rise	24. W.O.W.								
1600	1615	0.3	28	Run #7, tag @ 4800', recovered 4 bbls, spent acid	25. Wash & Ream								
1615	1700	0.8	28	wait for fluid to rise	26. Well Control								
1700	1715	0.3	28	Run #8, tag @ 4900', recovered 1 bbls, spent acid	27. WOC								
1715	1730	0.3	28	SWFN, recovered total of 57.5 bbls of treatment fluid	28. Other	12							
1730	1800	0.5	28	Crew travel from location	Total	302							
Total Hours		12.0											
Rig Downtime				Fuel Usage	Bulk Material on Board	Previous Cost							
Daily	Daily	Gals	Cement:	Barite:	Daily Cost								
Cum.	Cum.	831			Cum. Cost	\$448,442							

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AM OF OIL, GAS & MINING

MSC Exploration Daily Completion Report

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Leed #692		DOI 31	DFS 31	Date on Location 3/22/2005	Completion Date Mar 22, 2005	Report Date Apr 22, 2005
MD 5,629	TVD 5,629	Footage PBDT	AFE No.	AFE Amount \$123,841		Auth. ID. 8,224'		Company Representative Jim Lander		
Present Operation Swabbing				Rig Phone: 254-241-5317		Toolpusher Nat Guerrero				
Current Weather		BLM Visit <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	NPDES		People on Loc.:	Last BOP Test Date		RIG ELEVATIONS		
Wind:		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date		Operator	Next BOP Test Date		RKB 15 ft		
Seas:		<input type="checkbox"/> Problem? <input type="checkbox"/> Yes			Contractor			Water Depth ft		
Sky:		<input checked="" type="checkbox"/> No <input type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No			Service			RKB-CHF ft		

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD	TVD	Liner Top MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	16"		LP		1	37'	37'			Air			
Surface	9 5/8"	32.3	H40	STC	12	534'	534'			Air			
Intermediate/Production	7"	26	L80	LTC	156	6,839'	6,839'			8.8			
Intermediate/Production	7"	23	P110	LTC	14	7,455'	7,455'			8.8			
Production Liner	5"	18	P110	FJ	19	8224'	8224'	7,381'	7,381'	8.7			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD													
BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade Tooth Bearing Gage		
Bit Remarks:				Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque					
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV DC DP		Speed 1/4 1/2 3/4	SPM	Slow Pump Pressures Pump #1 Pump #2 Pump #3	
1													
2													

BHA													
Length:	Description:												

MUD DATA																
	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer		Mud Company				
PIT						#1	#2	Desand	Cent.							
						#3	#4	Desilt	Mud Cl	Daily Cost	Cumulative Cost					
											\$8,216					

DIRECTIONAL SURVEYS									
MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE		

OPERATIONS SUMMARY									
TIME		Time Code	Boats:	Supply Boat Name:	Status:				
FROM	TO	HOUR	Crew Boat Name:	Status:					
0600	0700	1.0	28	Crew travel to location	Time Summary				
0700	0745	0.8	28	0 psi on tbg, 150 psi on csg, open tbg to flare pit, no blow	Activity Daily Cum.				
				R/U to swab, swab first run of the day to flare pit (run #9), tag fluid @ 2600'	1. Mob/DeMob 7.5				
				had gas, estimate flame 3-4', recovered 8 bbls of spent acid/ dirty water	2. Cement 2				
				Run #10, Switch to tank, tag fluid @ 3600', recovered 6 bbls, 1st part	3. Circulate 14.5				
				of recovered fluid had a reddish-brown color and latter part was much cleaner, Run #11, tag fluid @ 4400', pulled from set nipple, recovered	4. Directional Work				
				6 bbls, 1st part was reddish brown and latter fluid was clean spent acid	5. Drilling				
				swabbed back a total of 20 bbls	6. Drive Pipe				
					7. Fishing 34				
0745	0830	0.8	28	Wait for fluid to rise	8. OH Logging 19.5				
0830	0845	0.3	28	Run #12, swabbed to flare pit, traces of gas, tag fluid @4900, Rec 2 bbls	9. Lost Circ.				
0845	0930	0.8	28	Wait for fluid to rise	10. Drill Cmt./LOT				
0930	0945	0.3	28	Run #13, tag fluid @ 4800', rec 2 bbls, fluid brown colored	11. N.U./ N.D. 3				
0945	1030	0.8	28	Wait for fluid to rise	12. P.U./L.D. BHA 1				
1030	1045	0.3	28	Run #14 tag fluid @ 4850', rec 2 bbls, fluid brown colored	13. P.U./L.D. Pipe 22.5				
1045	1130	0.8	28	Wait for fluid to rise	14. R/U; R/D 7				
1130	1145	0.3	28	Run #15, tag fluid @ 4850', rec 1 bbls, fluid brown colored	15. Rig Repair 23.5				
1145	1230	0.8	28	Wait for fluid to rise	16. Run Casing 11.5				
1230	1245	0.3	28	Run #16, swabbed to flare pit, slight traces of gas, tag fluid @4800, Rec 2 bbls	17. Service Rig				
1245	1330	0.8	28	Wait for fluid to rise	18. Sidetrack Op.				
1330	1345	-0.3	-28	Run #17, tag fluid @ 5100', rec 1 bbl, fluid getting darker brown	19. Stuck Pipe				
1345	1430	0.8	28	Wait for fluid to rise	20. Survey				
1430	1445	0.3	28	Run #18, tag fluid @ 5200' rec. 1 bbl, fluid dark brown	21. Trips 26				
1445	1530	0.8	28	Wait for fluid to rise	22. Tst. BOPs 1				
1530	1545	0.3	28	run #19, tag fluid @ 5250', rec 2 bbl, fluid dark brown, PH 3-4	23. UR/HO				
1545	1630	0.8	28	Wait for fluid to rise	24. W.O.W.				
1630	1645	0.3	28	Run #20, swab to flare pit, tag fluid @ 5250', no trace of gas, rec 1 bbl	25. Wash & Ream				
1645	1700	0.3	28	SWFN	26. Well Control				
1700	1730	0.5	28	Crew Travel from location	27. WOC				
				No indication of oil, total fluid swabbed today = 34 bbls	28. Other 11.5 140.5				
				2 day total of fluid flowed back/ swabbed 91.5 bbls	Total 11.5 313.5				
Total Hours		11.5							
Rig Downtime			Fuel Usage		Bulk Material on Board	Previous Cost \$448,442			
Daily	Daily		Gals	Cement: sx	Daily Cost \$6,184				
Cum.	Cum.	831	Gals	Barite: sx	Cum. Cost \$454,626				

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DIV. OF OIL, GAS & MINING

MSC Exploration Daily Completion Report

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Lead #692	DOL 32	DFS 32	Date on Location 3/22/2005	Completion Date Mar 22, 2005	Report Date Apr 23, 2005
MD 5,629	TVD 5,629	Footage PBTB	AFE No.	AFE Amount \$123,841	Auth. TD. 8,224'		Company Representative Jim Lander		
Present Operation Continue POOH w/ 7" RBP				Rig Phone: 254-241-5317	Rig Fax:		Toolpusher Nat Guerrero		

Current Weather	BLM Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS
Wind:	<input type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator		RKB 15 ft
Seas:	Problem? <input type="checkbox"/> Yes		Contractor	Next BOP Test Date	Water Depth ft
Sky:	<input type="checkbox"/> No	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service		RKB-CHF ft

CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD TVD	Liner Top MD TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	16"		LP		1	37' 37'		Air			
Surface	9 5/8"	32.3	H40	STC	12	534' 534'		Air			
Intermediate/Production	7"	26	L80	LTC	156	6,839' 6,839'		8.8			
Intermediate/Production	7"	23	P110	LTC	14	7,455' 7,455'		8.8			
Production Liner	5"	18	P110	FJ	19	8224' 8224'	7,381' 7,381'	8.7			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD														
BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
Bit Remarks:					Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque					
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP			1/4		
1										1/2				
2										3/4				

BHA

Length:	Description:

MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer									
PIT					#1 #2 Desand Cent.											
					#3 #4 Desilt Mud Cl	Daily Cost										
																Cumulative Cost \$8,216

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

TIME		HOUR	Time Code	Boats:	Supply Boat Name:	Status:
FROM	TO					
0600	0700	1.0	28	Crew travel to location	Crew Boat Name:	Status:
0700	0800	1.0	28	0 psi on tbg, 60 psi on csg, open tbg to flare pit, no blow		
				R/U to swab, swab first run of the day to flare pit (run #21), tag fluid @ 3600', recovered 8 bbls of fluid, had trace of gas ahead of fluid		
				flame was much weaker than yesterday morning		
				fluid was black water then turned to cleaner water		
				Run #22, Switch to tank, tag fluid @ 4800', recovered 5 bbls,		
				pulled from seat nipple, fluid was initially brown then turned to cleaner fluid,		
0800	0900	1.0	28	Wait for fluid to rise		
0900	0915	0.3	28	Run #23, tag fluid @ 4900', recovered 1 bbl, red colored fluid		
0915	1000	0.8	28	Wait for fluid to rise		
1000	1015	0.3	28	Run #24, tag fluid @ 5250', recovered 1 1/2 bbls, red color, very foamy		
1015	1100	0.8	28	Wait for fluid to rise		
1100	1115	0.3	28	Run #25, tag fluid @ 5200', recovered 1/2 bbl, brown colored, foamy		
1115	1145	0.5	28	Wait for fluid to rise		
1145	1200	0.3	28	Run #26, swab to flare pit, tag fluid @ 5250', recovered 1/2 bbl est.		
				had a slight trace of gas, small flame		
				Total fluid recovered today 16.5 bbls, 3 day total 108 bbls		
1200	1300	1.0	11	Load tbg w/ KCL water, N/D production tree, N/U BOPs		
1300	1500	2.0	21	Unset Weatherford 7" Arrow set Packer & POOH and L/D same		
1500	1630	1.5	21	P/U retrieving tool for 7" Loc-set RBP and TIH to top of RBP @ 5620'		
1630	1800	1.5	3	R/U to reverse circulate on top of RBP, circulate out pieces of Bio-balls, formation and sand		
1800	1900	1.0	21	Latch onto the RPB and unset, POOH 24 stands, SWFN		
1900	1930	0.5	28	Crew travel from location		
				Tomorrow:		
				Plan to set a balanced cement plug from 5200' to 5800', this cement plug will cover the perforations of groups 2 & 3, We will tag the plug Monday morning. This procedure will satisfy the BLM requirements per Eric Jones.		
Total Hours		13.5				
Rig Downtime						
Daily	Daily			Fuel Usage	Bulk Material on Board	Previous Cost
Cum.	Cum.			Gals	Cement: sx	\$454,626
				831 Gals	Barite: sx	Daily Cost \$7,156
						Cum. Cost \$461,782

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MSC Exploration Daily Completion Report

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Leed #692		DOL 33	DFS 33	Date on Location 3/22/2005	Completion Date Mar 22, 2005	Report Date Apr 24, 2005	
MD 5268'	TVD 5268'	Footage PBDT	AFE No.	AFE Amount \$123,841		Auth. TD. 8,224'		Company Representative Jim Lander			
Present Operation SD for Sunday.				Rig Phone: 254-241-5317		Toolpusher Nat Guerrero					
Current Weather		BLM Visit <input type="checkbox"/> Yes <input type="checkbox"/> No		NPDES LC50 Sample Date		People on Loc.:		Last BOP Test Date		RIG ELEVATIONS	
Wind:		Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No		Operator		Contractor		Next BOP Test Date		RKB 15 ft	
Seas:		Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service				Water Depth		RKB-CHF ft	
Sky:											

Casing String		OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD TVD		Liner Top MD TVD		MW when Run	Pres	LOT EMW	Leakoff?
Conductor		16"		LP		1	37' 37'				Air			
Surface		9 5/8"	32.3	H40	STC	12	534' 534'				Air			
Intermediate/Production		7"	26	L80	LTC	156	6,839' 6,839'				8.8			
Intermediate/Production		7"	23	P110	LTC	14	7,455' 7,455'				8.8			
Production Liner		5"	18	P110	FJ	19	8224' 8224'		7,381' 7,381'		8.7			

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade Tooth Bearing Gage		
Bit Remarks:				Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque					
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV DC DP		Speed	SPM	Slow Pump Pressures Pump #1 Pump #2 Pump #3	
1										1/4			
2										1/2			
										3/4			

BHA															
Length:		Description:													

WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pt/Mf
PIT															

Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours	Mud Engineer	Mud Company	
PIT				#1	#2	Desand	Cent.		
				#3	#4	Desilt	Mud Cl	Daily Cost	Cumulative Cost
									\$8,216

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY									
TIME		Time Code	Boats:	Supply Boat Name:	Status:				
FROM	TO	HOUR		Crew Boat Name:	Status:				
0600	0700	1.0	28	Crew travel to location					
0700	0830	1.5	21	Finish POOH and L/D 7" retrievable bridge plug					
0830	0930	1.0	21	TIH w/ open ended tbg to 5795'	Time Summary				
0930	1000	0.5	3	Circulate well w/ rig pump	Activity Daily Cum.				
1000	1030	0.5	2	R/U Big 4 cement unit, hold safety meeting, conduct cement job	1. Mob/DeMob 7.5				
				Test lines to 2000 psi, pump 15 bbls of fresh water, 20 bbls of cement,	2. Cement 0.5 2.5				
				(Class G Cement mixed @ 15.8 ppg, w/ 1.15 ft3/ sk yield, mixed a total	3. Circulate 1 17				
				of 100 sks of cement), displace w/ 2.4 bbls of fresh water and 26.5 bbls	4. Directional Work				
				of KCL. Placed cement plug from 5795' to 5268' (est cement top)	5. Drilling				
				covered perforations for groups 2 & 3 (5544' - 5712') plus minimum of	6. Drive Pipe				
				100' of cement above top perf	7. Fishing 34				
1030	1100	0.5	21	POOH 15 stands	8. OH Logging 19.5				
1100	1130	0.5	3	R/U and reverse 1 1/2 times tbg volume, no cement	9. Lost Circ.				
1130	1330	2.0	21	Continue to POOH w/ tbg	10. Drill Cmt./LOT				
1330	1430	1.0	28	Clean rig tank, SDFN	11. N.U./ N.D. 4				
1430	1500	0.5	28	Crew travel from location	12. P.U./L.D. BHA 1				
					13. P.U./L.D. Pipe 22.5				
					14. R/U; R/D 7				
					15. Rig Repair 23.5				
					16. Run Casing 11.5				
					17. Service Rig				
					18. Sidetrack Op.				
					19. Stuck Pipe				
					20. Survey				
					21. Trips 5 35.5				
					22. Tst. BOPs 1				
					23. UR/HO				
					24. W.O.W.				
					25. Wash & Ream				
					26. Well Control				
					27. WOC				
					28. Other 2.5 149.5				
Total Hours		9.0			Total 9 336				
Rig Downtime		Fuel Usage		Bulk Material on Board					
Daily	Daily	Gals	Cement:	sx	Previous Cost \$461,782				
Cum.	Cum.	831	Barite:	sx	Daily Cost \$13,986				
					Cum. Cost \$475,768				

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DIV. OF OIL, GAS & MINING

MSC Exploration Daily Completion Report

<u>Block, Lease and Well No.</u> E. Crested Junction - Federal MSC #26-1				<u>Contract Rig</u> Leed #692	<u>DOL</u> 34	<u>DFS</u> 34	<u>Date on Location</u> 3/22/2005	<u>Completion Date</u> Mar 22, 2005	<u>Report Date</u> Apr 25, 2005
<u>MD</u> 5268'	<u>TVD</u> 5268'	<u>Footage</u> PBDT	<u>AFE No.</u>	<u>AFE Amount</u> \$123,841	<u>Auth. TD.</u> 8,224'		<u>Company Representative</u> Jim Lander		
<u>Present Operation</u> Prep to tag cement plug				<u>Rig Phone:</u> <u>Rig Fax:</u>	254-241-5317		<u>Toolpusher</u> Nat Guerrero		

Current Weather	BLM Visit		NPDES			People on Loc.:		Last BOP Test Date	RIG ELEVATIONS		
Wind:	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<u>LC50 Sample Date</u>			Operator			RKB	15	ft
Seas:	Problem? <input type="checkbox"/> Yes					Contractor		Next BOP Test Date	Water Depth		ft
Skv:	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No			Service			RKB-CHF		ft

CASING RECORD

[illegible]

BIT. WEIGHT. SPEED AND HYDRAULICS RECORD

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD														
BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
Bit Remarks:					Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque					
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP	1/4		Pump #1	Pump #2	Pump #3
1										1/2				
2										3/4				

BHA

BHA	
Length:	Description:

MUD DATA

MUD DATA																
	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer			Mud Company			
PIT						#1	#2	Desand	Cent.							
						#3	#4	Desilt	Mud Cl	Daily Cost			Cumulative Cost			
													\$8,216			

DIRECTIONAL SURVEYS

DIRECTIONAL SURVEYS							
MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

OPERATIONS SUMMARY				TIME		Boats:		Status:	
FROM		TO		HOUR		Time Code		Supply Boat Name:	
0600		0600						Status:	
						SD for Sunday			
								Time Summary	
								Activity Daily Cum.	
								1. Mob/DeMob 7.5	
								2. Cement 2.5	
								3. Circulate 17	
								4. Directional Work	
								5. Drilling	
								6. Drive Pipe	
								7. Fishing 34	
								8. OH Logging 19.5	
								9. Lost Circ.	
								10. Drill Cmt./LOT	
								11. N.U./N.D. 4	
								12. P.U./L.D. BHA 1	
								13. P.U./L.D. Pipe 22.5	
								14. R/U; R/D 7	
								15. Rig Repair 23.5	
								16. Run Casing 11.5	
								17. Service Rig	
								18. Sidetrack Op.	
								19. Stuck Pipe	
								20. Survey	
								21. Trips 35.5	
								22. Tst. BOPs 1	
								23. UR/HO	
								24. W.O.W.	
								25. Wash & Ream	
								26. Well Control	
								27. WOC	
								28. Other 149.5	
								Total 336	
Total Hours									
Rig Downtime				Fuel Usage		Bulk Material on Board		Previous Cost \$475,768	
Daily		Daily		Gals		Cement: sx		Daily Cost \$2,010	
Cum.		Cum.		831 Gals		Barite: sx		Cum. Cost \$477,778	

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DIV. OF OIL, GAS & MINING

MSC Exploration Daily Completion Report

<u>Block, Lease and Well No.</u> E. Crested Junction - Federal MSC #26-1		<u>Contract Rig</u> Leed #692	<u>DOL</u> 35	<u>DFS</u> 35	<u>Date on Location</u> 3/22/2005	<u>Completion Date</u> Mar 22, 2005	<u>Report Date</u> Apr 26, 2005
<u>MD</u> 5268'	<u>TVD</u> 5268'	<u>Footage</u> PBSD	<u>AFE No.</u>	<u>AFE Amount</u> \$118,276	<u>Auth. TD.</u> 8,224'	<u>Company Representative</u> Jim Lander	
<u>Present Operation</u> Prep to perforate Group 4				<u>Rig Phone:</u> 254-241-5317	<u>Toolpusher</u> Nat Guerrero		

Current Weather	BLM Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS
Wind:	<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No	LC50 Sample Date	Operator		RKB 15 ft
Seas:	Problem? <input type="checkbox"/> Yes		Contractor	Next BOP Test Date	Water Depth ft
Skv:	<input checked="" type="checkbox"/> No <input type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service		RKB-CHF ft

CASING RECORD

[illegible]

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD														
BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
<u>Bit Remarks:</u>					Cum. ROT. Hrs	PU Wt		SO Wt		ROT Wt		Torque		
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP			1/4	Pump #1	Pump #2
1										1/2				
2										3/4				

BHA

[illegible]

MUD DATA

MUD DATA																
	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pt/Mf
PIT																
	Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer		Mud Company				
PH						#1	#2	Desand	Cent.							
						#3	#4	Desilt	Mud Cl	Daily Cost		Cumulative Cost				
										\$1,406		\$9,622				

DIRECTIONAL SURVEYS

[illegible]

OPERATIONS SUMMARY

OPERATIONS SUMMARY				Boats:	Supply Boat Name:	Status:
TIME		Time Code	Boats:	Supply Boat Name:	Status:	Status:
FROM	TO					
0600	0700	1.0	28	Crew travel to location. BEGIN GROUP 4.	Time Summary	
0700	0730	0.5	22	Pressure test csg and blind rams to 3000 psi for 15 minutes, good test.	Activity	Daily Cum.
0730	0900	1.5	21	P/U Seat nipple and TIH to 5328' (top of cement plug)	1. Mob/DeMob	7.5
0900	0930	0.5	3	Displace well w/ Clean KCL water	2. Cement	2.5
0930	1000	0.5	22	L/D 2 jts of tbg, pressure test csg and pipe rams to 3000 psi for 15 minutes, good test	3. Circulate	0.5 17.5
1000	1500	5.0	28	R/U to swab, swab back 150 bbls, estimate top of water 3900'.	4. Directional Work	
				R/D swab lubricator	5. Drilling	
1500	1630	1.5	21	POOH w/ tbg	6. Drive Pipe	
1630	1730	1.0	8	R/u Bran-deX perforating unit and shooting nipple. SDFN	7. Fishing	34
1730	1800	0.5	28	Crew Travel from location	8. OH Logging	1 20.5
					9. Lost Circ.	
					10. Drill Cmt./LOT	
					11. N.U./ N.D.	4
					12. P.U./L.D. BHA	1
					13. P.U./L.D. Pipe	22.5
					14. R/U; R/D	7
					15. Rig Repair	23.5
					16. Run Casing	11.5
					17. Service Rig	
					18. Sidetrack Op.	
					19. Stuck Pipe	
					20. Survey	
					21. Trips	3 38.5
					22. Tst. BOPs	1 2
					23. UR/HO	
					24. W.O.W.	
					25. Wash & Ream	
					26. Well Control	
					27. WOC	
					28. Other	6.5 156
					Total	12 348
Total Hours		12.0				
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost \$477,778
Daily		Daily	Gals	Cement:	sx	Daily Cost \$8,447
Cum.		Cum.	831 Gals	Barite:	sx	Cum. Cost \$486,225

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DIV. OF OIL, GAS & MINING

MSC Exploration Daily Completion Report

<u>Block, Lease and Well No.</u> E. Crested Junction - Federal MSC #26-1				<u>Contract Rig</u> Leed #692	<u>DOI</u> 36	<u>DFS</u> 36	<u>Date on Location</u> 3/22/2005	<u>Completion Date</u> Mar 22, 2005	<u>Report Date</u> Apr 27, 2005
<u>MD</u> 5268'	<u>TVD</u> 5268'	<u>Footage</u> PBDT	<u>AFF No.</u>	<u>AFF Amount</u> \$118,276	<u>Auth. TD.</u> 8,224'		<u>Company Representative</u> Jim Lander		
<u>Present Operation</u> Swabbing Well				<u>Rig Phone:</u>	254-241-5317		<u>Toolpusher</u> Nat Guerrero		
				<u>Rig Fax:</u>					

Current Weather	BLM Visit		NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS
Wind:	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<u>LC50 Sample Date</u>	Operator		RKB 15 ft
Seas:	Problem?	<input type="checkbox"/> Yes		Contractor	Next BOP Test Date	Water Depth ft
Sky:	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service		RKB-CHF ft

CASING RECORD

[illegible]

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
Bit Remarks:					Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque					
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP			Pump #1	Pump #2	Pump #3
										1/4				
1										1/2				
2										3/4				

BHA

Length:	Description:

MUD DATA

MOD DATA																
	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer			Mud Company			
PIT						#1	#2	Desand	Cent.							
						#3	#4	Desilt	Mud Cl	Daily Cost		Cumulative Cost				
												\$9,622				

DIRECTIONAL SURVEYS

DIRECTIONAL SURVEYS							
MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

OPERATIONS SUMMARY				Boats:		Status:	
TIME		HOUR	Time Code	Supply Boat Name:		Status:	
FROM	TO			Crew Boat Name:			
0600	0700	1.0	28	Crew travel to location		Time Summary	
0700	0830	1.5	8	RIH w/ 4" perforating gun and perforate interval 4904'-4918', 3 shts/ ft, 120 deg phasing, tag fluid level @ 4550' going in hole w/ perf gun, tagged fluid level @ 4300', while pulling out of hole w/ perf gun after perforating the interval, R/D perforating unit		Activity	Daily
							Cum.
						1. Mob/DeMob	7.5
						2. Cement	2.5
						3. Circulate	17.5
0830	1000	1.5	21	P/U 7" Arrow set Packer and seat nipple, TIH on 2 7/8" tbg to 4834'.		4. Directional Work	
1000	1100	1.0	28	Seat packer and land hanger, engage lock pins, pressure test csg to 1000 psi,ok.		5. Drilling	
						6. Drive Pipe	
1100	1200	1.0	11	N/D BOPs and N/U production tree.Pressure test csg to 2500 psi, ok.		7. Fishing	34
1200	1300	1.0	28	R/U swab lubricator, RIH for 1 st run, tag fluid level @ 2800', recovered 8 bbls, fluid had a dark brown color & foul smell		8. OH Logging	1.5
				2nd run, tagged fluid level 4000', pulled from seat nipple, recovered 4 bbls, fluid had a dark brown color & foul smell		9. Lost Circ.	22
						10. Drill Cmt./LOT	
						11. N.U./ N.D.	1
1300	1330	0.5	28	Wait for fluid level to rise		12. P.U./L.D. BHA	1
1330	1345	0.3	28	3rd run, tag fluid level @ 4200', pulled from SN, recovered 2 bbls fluid had a reddish-brown color & foul smell		13. P.U./L.D. Pipe	22.5
						14. R/U; R/D	7
1345	1430	0.8	28	Wait for fluid level to rise		15. Rig Repair	23.5
1430	1445	0.3	28	4th run, tag fluid level @ 3900', pull from SN, Recovered 3 bbls Fluid had a reddish-brown color & foul smell		16. Run Casing	11.5
						17. Service Rig	
1445	1530	0.8	28	Wait for fluid level to rise		18. Sidetrack Op.	
1530	1545	0.3	28	5th run, tag fluid level @ 3900', pull from SN, recovered 4 bbls (est) Swabbed to flare pit, no sign of gas, fluid had reddish brown color		19. Stuck Pipe	
						20. Survey	
1545	1630	0.8	28	Wait for fluid level to rise		21. Trips	1.5
1630	1645	0.3	28	6 th run, tag fluid level @ 3900', pull from SN, recovered 3 bbls, fluid had a reddish-brown color & foul smell		22. Tst. BOPs	2
						23. UR/HO	
1645	1730	0.8	28	Wait for fluid level to rise		24. W.O.W.	
1730	1745	0.3	28	7 th run, tag fluid @ 3900', recovered 4 bbls, fluid reddish brown		25. Wash & Ream	
1745	1800	0.3	28	SWFN		26. Well Control	
1800	1830	0.5	28	Crew travel from location		27. WOC	
				Swabbed back a total of 28 bbls, no sign of oil or gas		28. Other	8.5
				Monthly rental (April) for BOPs on MSC state 16-1 for \$5625		Total	12.5
							360.5
Total Hours		12.5					
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost \$486,225	
Daily	Daily	Gals	Cement:	sx	Daily Cost		\$12,599
Cum.	Cum.	831 Gals	Barite:	sx	Cum. Cost		\$498,824

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DIV. OF OIL, GAS & MINING

MSC Exploration Daily Completion Report

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Lead #692	DOL 37	DFS 37	Date on Location 3/22/2005	Completion Date Mar 22, 2005	Report Date Apr 28, 2005
MD 5268'	TVD 5268'	Footage PBD	AFE No.	AFE Amount \$118,276	Auth. TD. 8,224'		Company Representative Jim Lander		
Present Operation Swabbing well - WO acid job				Rig Phone: Rig Fax:	254-241-5317		Toolpusher Nat Guerrero		

Current Weather	BLM Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS
Wind: <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No	LC50 Sample Date	Operator			RKB 15 ft
Seas: Problem? <input type="checkbox"/> Yes		Contractor		Next BOP Test Date	Water Depth ft
Sky: <input checked="" type="checkbox"/> No Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service			RKB-CHF ft

CASING RECORD

Casing String	OD	WT.	Grade	Conn.	Jts. Run	Setting Depth MD	TVD	Liner Top MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	16"		LP		1	37'	37'			Air			
Surface	9 5/8"	32.3	H40	STC	12	534'	534'			Air			
Intermediate/Production	7"	26	L80	LTC	156	6,839'	6,839'			8.8			
Intermediate/Production	7"	23	P110	LTC	14	7,455'	7,455'			8.8			
Production Liner	5"	18	P110	FJ	19	8224'	8224'	7,381'	7,381'	8.7			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade		
											Tooth	Bearing	Gage
Bit Remarks:					Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque				
Pump No.	Stroke X Liner	Output gpm	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures	
								DC	DP	1/4		Pump #1	Pump #2
1										1/2			
2										3/4			

BHA

Length:	Description:

MUD DATA

MUD DATA																
	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides		Ca++		Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer		Mud Company			
PIT							#1	#2	Desand	Cent.						
							#3	#4	Desilt	Mud Cl	Daily Cost	Cumulative Cost				
												\$9.622				

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

TIME			Time Code	Boats:	Supply Boat Name:	Status:
FROM	TO	HOURL		Crew Boat Name:		Status:
0600	0700	1.0	28	Crew travel to location		
0700	0730	0.5	28	10 psi on tbg, 0 psi on csg, open well to flare pit, slight blow of air and water, R/U to swab, run #8 to flare pit, tag fluid level @ 1300', recovered 8 bbls of fluid, no gas or oil was seen, recovered fluid was initially brown changing to semi-clean, Run #9, tag fluid @ 2500', Recovered 7 bbls, recovered fluid was same as previous run Run #10, tag fluid level @ 3800', pulled from seat nipple Recovered 7 bbls, recovered fluid was same as pervious run		
				Wait for fluid level to rise		
0730	0830	1.0	28	Swab run # 11, tag fluid level @ 3900', pull from seat nipple, recovered 3 bbls, fluid same as pervious run		
0830	0845	0.3	28	Wait for fluid level to rise		
0845	0930	0.8	28	Swab run # 12, tag fluid level @ 3900', pull from seat nipple, recovered 4 bbls, fluid same as pervious run		
0930	0945	0.3	28	Wait for fluid level to rise		
0945	1030	0.8	28	Swab run # 13, tag fluid level @ 4000', pull from seat nipple, Recover 5 bbls, fluid was reddish brown turning to semi-clean fluid had a foul smell, 8.6+ ppg weight of fluid		
1030	1045	0.3	28	Wait for fluid level to rise		
1045	1130	0.8	28	Run #14, tag fluid level @ 4000' pul from SN, recover 3 bbls, Fluid was reddish brown turning to semi-clean fluid had a foul smell, 8.7 ppg weight of fluid		
1130	1145	0.3	28	Wait for fluid level to rise		
1145	1230	0.8	28	Swb run #15, tag fluid level @ 4000', pull from SN, fluid was same		
1230	1245	0.3	28	Wait for fluid level to rise		
1245	1330	0.8	28	Swb run #16, tag fluid level @ 4000', pull from SN, fluid was same, wt 8.7 ppg		
1330	1345	0.3	28	Wait for fluid level to rise		
1345	1430	0.8	28	Swb run #17, tag fluid level @ 4000', pull from SN, fluid was same		
1430	1445	0.3	28	Recovered 2 bbls, fluid continues to have a foul smell		
1445	1500	0.3	28	SWFN, total swabbed today 45 bbls, 2 day total = 73 bbls		
1500	1530	0.5	28	Crew travel to safety meeting		
Total Hours			9.5			
Rig Downtime				Fuel Usage		Previous Cost \$498,824
Daily				Gals	Cement: sx	Daily Cost \$5,185
Cum.				831 Gals	Barite: sx	Cum. Cost \$504,009

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MSC Exploration Daily Completion Report

<u>Block, Lease and Well No.</u> E. Crested Junction - Federal MSC #26-1				<u>Contract Rig</u> Leed #692	<u>DOL</u> 39	<u>DFS</u> 39	<u>Date on Location</u> 3/22/2005	<u>Completion Date</u> Mar 22, 2005	<u>Report Date</u> Apr 30, 2005
<u>MD</u> 5268'	<u>TVD</u> 5268'	<u>Footage</u> PBDT	<u>AFE No.</u>	<u>AFE Amount</u> \$118,276	<u>Auth. TD.</u> 8,224'		<u>Company Representative</u> Jim Lander		
<u>Present Operation</u> Fish out swab line and weight bars				<u>Rig Phone:</u> <u>Rig Fax:</u>	254-241-5317		<u>Toolpusher</u> Nat Guerrero		

Current Weather	BLM Visit	NPDES	People on Loc.:		Last BOP Test Date	RIG ELEVATIONS
Wind:	<input type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator			RKB 15 ft
Seas:	Problem? <input type="checkbox"/> Yes		Contractor		Next BOP Test Date	Water Depth ft
Sky:	<input type="checkbox"/> No	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service			RKB-CHF ft

CASING RECORD

[illegible]

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade		
											Tooth	Bearing	Gage
Bit Remarks:					Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque				
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures	
								DC	DP			Pump #1	Pump #2
1										1/2			
2										3/4			

BHA

CNA	
Length:	Description:

MUD DATA

MOD DATA																
	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer			Mud Company			
PIT						#1	#2	Desand	Cent.							
						#3	#4	Desilt	Mud Cl	Daily Cost		Cumulative Cost				
												\$9,622				

DIRECTIONAL SURVEYS

DIRECTIONAL SURVEYS							
MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

TIME			Time Code	Boats:	Supply Boat Name:	Status:
FROM	TO	Hour				
0600	0700	1.0	28	Crew travel to location		
0700	0730	0.5	28	Slight vacuum on tbg, 0 psi on csg (full), open well to flare pit, no blow		
				R/U to swab, run #30 to flare pit, tag fluid level @ 1300', recovered	1. Mob/DeMob	7.5
				8 bbls of fluid, no gas or oil was seen, recovered fluid was initially brown	2. Cement	2.5
				changing to milky color, fluid had a bad smell	3. Circulate	17.5
				Run #31, swab to tank, tag fluid @ 2500', Recovered 8 bbls	4. Directional Work	
				Fluid was same as previous run, fluid had a stronger foul smell	5. Drilling	
				Run #32, tag fluid level @ 3700', pulled from seat nipple	6. Drive Pipe	
				Recovered 8 bbls, fluid recovered was the same, as well as the smell	7. Fishing	34
				recovered 24 bbls	8. OH Logging	22
0730	0930	2.0	28	M/I R/U Halliburton Stimulation Equipment	9. Lost Circ.	
0930	1230	3.0	28	Pressure test lines to 6000 psi, ok, hold safety meeting, Conduct acid	10. Drill Cmt./LOT	
				Treatment on group 4 perforations, pumped 12 bbls of Clay Safe 5	11. N.U./ N.D.	1
				(10% Acetic & 5% NH4CL), start dropping Bio-balls at 1 ball/ bbl of fluid	12. P.U./L.D. BHA	
				pumped, pumped a total of 45 Bio balls, pumped a total of 60 bbls of acid.	13. P.U./L.D. Pipe	
				displaced w/ 33 bbls of KCL water. Pumped treatment @ 4 BPM @	14. R/U; R/D	7
				2750 psi. It appeared that we had some ball action. Monitor pressure	15. Rig Repair	23.5
				decline for 30 minutes, ISIP = 2072 psi, 5 min SIP = 1546 psi,	16. Run Casing	11.5
				10 min SIP = 1375 psi, 15 min SIP = 1191 psi.	17. Service Rig	
				Shut in well, R/D Halliburton. Leave acid on formation for 2 hrs.	18. Sidetrack Op.	
1230	1300	0.5	28	Open well to rig tank, (220 psi on tbg), no flow. R/U swab lubricator,	19. Stuck Pipe	
				Fluid level @ surface, make first swab run, recovered 8 bbls, RIH to	20. Survey	
				make 2nd run, while pulling out of hole, swab line parted.	21. Trips	2.5
1300	1400	1.0	11	N/D tree, N/U BOPS,	22. Tst. BOPs	2
1400	1630	2.5	21	Unset packer and POOH w/ packer, did not find the swab line or	23. UR/HO	
				weight bars, Estimate 700' of swab line plus weight bars in hole.	24. W.O.W.	
				There were not any marks on the seat nipple to indicate that	25. Wash & Ream	
				the swab line passed through the seat nipple.	26. Well Control	
					27. WOC	
					28. Other	7
					Total	10.5
						392
Total Hours		10.5				
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost
Daily		Daily	Gals	Cement:	sx	Daily Cost
Cum.		Cum.	831	Barite:	sx	Cum. Cost
						\$511,305
						\$28,274
						\$539,579

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DIV. OF OIL, GAS & MINING

MSC Exploration Daily Completion Report

<u>Block, Lease and Well No.</u> E. Crested Junction - Federal MSC #26-1				<u>Contract Rig</u> Leed #692	<u>DOL</u> 40	<u>DFS</u> 40	<u>Date on Location</u> 3/22/2005	<u>Completion Date</u> Mar 22, 2005	<u>Report Date</u> May 1, 2005
<u>MD</u> 5268'	<u>TVD</u> 5268'	<u>Footage</u> PBSD	<u>AFE No.</u>	<u>AFE Amount</u> \$118,276	<u>Auth. TD.</u> 8,224'		<u>Company Representative</u> Jim Lander		
<u>Present Operation</u> SD for Sunday				<u>Rig Phone:</u>	254-241-5317		<u>Toolpusher</u> Nat Guerrero		
<u>Rig Fax:</u>									

Current Weather	BLM Visit	NPDES	People on Loc.:		Last BOP Test Date	RIG ELEVATIONS
Wind:	<input type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator			RKB 15 ft
Seas:	Problem? <input type="checkbox"/> Yes		Contractor		Next BOP Test Date	Water Depth ft
Sky:	<input type="checkbox"/> No	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service			RKB-CHF ft

CASING RECORD

[illegible]

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
Bit Remarks:					Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque					
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP			Pump #1	Pump #2	Pump #3
1										1/4				
2										1/2				
										3/4				

BHA

[illegible]

MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer		Mud Company							
PIT					#1 #2	Desand Cent.										
						#3 #4	Desilt Mud Cl	Daily Cost	Cumulative Cost							
									\$9.622							

DIRECTIONAL SURVEYS

[illegible]

OPERATIONS SUMMARY

[illegible]

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MSC Exploration Daily Completion Report

Block, Lease and Well No.				Contract Rig	DOL	DFS	Date on Location	Completion Date	Report Date
E. Crested Junction - Federal MSC #26-1				Lead #692	41	41	3/22/2005	Mar 22, 2005	May 2, 2005
MD	TVD	Footage	APE No.	APE Amount	Auth. TD.	Company Representative			
5268'	5268'	PBTD		\$118,276		8,224'	Jim Lander		
Present Operation				Rig Phone:	254-241-5317		Toolpusher		
SD while WO swabline				Rig Fax:			Nat Guerrero		

Current Weather	BLM Visit		NPDES		People on Loc.:		Last BOP Test Date	RIG ELEVATIONS	
Wind:	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	LC50 Sample Date		Operator			RKB	15 ft
Seas:	Problem? <input type="checkbox"/> Yes				Contractor		Next BOP Test Date	Water Depth	ft
Sky:		<input checked="" type="checkbox"/> No	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service			RKB-CHF	ft

CASING RECORD

[illegible]

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
Bit Remarks:				Cum. ROT. Hrs		PU Wt		SO Wt		ROT Wt		Torque		
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP	1/4		Pump #1	Pump #2	Pump #3
1										1/2				
2										3/4				

BHA

Length:	Description:

MUD DATA

MUD DATA																
	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer			Mud Company			
PIT						#1	#2	Desand	Cent.							
						#3	#4	Desilt	Mud Cl	Daily Cost		Cumulative Cost				
												\$9,622				

DIRECTIONAL SURVEYS

[illegible]

OPERATIONS SUMMARY

TIME			Time Code	Boats:	Supply Boat Name:	Status:
FROM	TO	HOUR				
0600	0600			SD for Sunday		<div>Time Summary</div> <div> <div>Activity</div> <div>Daily</div> <div>Cum.</div> </div>
						<div>1. Mob/DeMob</div> <div></div> <div>7.5</div>
						<div>2. Cement</div> <div></div> <div>2.5</div>
				Crew showed with 2 people this AM. Galan Williams shut down work until swab line arrives tomorrow and Leed has a full crew.		<div>3. Circulate</div> <div></div> <div>17.5</div>
						<div>4. Directional Work</div> <div></div> <div></div>
						<div>5. Drilling</div> <div></div> <div></div>
						<div>6. Drive Pipe</div> <div></div> <div></div>
						<div>7. Fishing</div> <div></div> <div>34</div>
						<div>8. OH Logging</div> <div></div> <div>22</div>
						<div>9. Lost Circ.</div> <div></div> <div></div>
						<div>10. Drill Cmt./LOT</div> <div></div> <div></div>
						<div>11. N.U./N.D.</div> <div></div> <div>6</div>
						<div>12. P.U./L.D. BHA</div> <div></div> <div>1</div>
						<div>13. P.U./L.D. Pipe</div> <div></div> <div>22.5</div>
						<div>14. R/U; R/D</div> <div></div> <div>7</div>
						<div>15. Rig Repair</div> <div></div> <div>23.5</div>
						<div>16. Run Casing</div> <div></div> <div>11.5</div>
						<div>17. Service Rig</div> <div></div> <div></div>
						<div>18. Sidetrack Op.</div> <div></div> <div></div>
						<div>19. Stuck Pipe</div> <div></div> <div></div>
						<div>20. Survey</div> <div></div> <div></div>
						<div>21. Trips</div> <div></div> <div>51</div>
						<div>22. Tst. BOPs</div> <div></div> <div>2</div>
						<div>23. UR/HO</div> <div></div> <div></div>
						<div>24. W.O.W.</div> <div></div> <div></div>
						<div>25. Wash & Ream</div> <div></div> <div></div>
						<div>26. Well Control</div> <div></div> <div></div>
						<div>27. WOC</div> <div></div> <div></div>
						<div>28. Other</div> <div></div> <div>194</div>
						<div>Total</div> <div></div> <div>402</div>
Total Hours						
Rig Downtime				Fuel Usage	Bulk Material on Board	<div>Previous Cost</div> <div>\$544,392</div>
Daily		Daily		Gals	Cement: sx	Daily Cost \$2,010
Cum.		Cum.		831 Gals	Barite: sx	Cum. Cost \$546,402

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DIV. OF OIL, GAS & MINING

MSC Exploration Daily Completion Report

<u>Block, Lease and Well No.</u> E. Crested Junction - Federal MSC #26-1				<u>Contract Rig</u> Leed #692	<u>DOL</u> 42	<u>DFS</u> 42	<u>Date on Location</u> 3/22/2005	<u>Completion Date</u> Mar 22, 2005	<u>Report Date</u> May 3, 2005
<u>MD</u> 5268'	<u>TVD</u> 5268'	<u>Footage</u> PBSD	<u>AFE No.</u>	<u>AFE Amount</u> \$118,276	<u>Auth. TD</u> 8,224'	<u>Company Representative</u> Jim Lander			
<u>Present Operation</u> SD while WO swabline				<u>Rig Phone:</u> <u>Rig Fax:</u>	254-241-5317		<u>Toolpusher</u> Nat Guerrero		

Current Weather	BLM Visit		NPDES			People on Loc.:		Last BOP Test Date	RIG ELEVATIONS	
Wind:	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<u>LC50 Sample Date</u>			Operator			RKB	15 ft
Seas:	Problem? <input type="checkbox"/> Yes					Contractor		Next BOP Test Date	Water Depth	ft
Sky:	<input checked="" type="checkbox"/> No	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No				Service			RKB-CHF	ft

[illegible]

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD														
BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
Bit Remarks:					Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque					
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP			Pump #1	Pump #2	Pump #3
1										1/4				
2										1/2				
										3/4				

BHA
Length:
Description:

MUD DATA																
	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides		Ca++		Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer			Mud Company		
PIT							#1	#2	Desand	Cent.						
							#3	#4	Desilt	Mud Cl	Daily Cost			Cumulative Cost		
														\$9,622		

DIRECTIONAL SURVEYS							
MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY									
TIME		HOUR	Time Code	Boats:	Supply Boat Name:	Status:	Time Summary		
FROM	TO						Activity	Daily	Cum.
0600	0700	1.0	28	Crew travel to location					
0700	0830	1.5	21	P/U 7" Arrow Packer and TIH to 4834'					
0830	0900	0.5	28	Set Packer and pressure test csg to 500 psi, ok.		1. Mob/DeMob			7.5
0900	1030	1.5	28	Check locations State MSC #35-1 and State MCS #16-1		2. Cement			2.5
				remove misc, flow lines , etc.		3. Circulate			17.5
1030	1100	0.5	28	Crew travel from location		4. Directional Work			
						5. Drilling			
						6. Drive Pipe			
						7. Fishing			34
				New swab line is suppose to be ready tomorrow @ noon		8. OH Logging			22
						9. Lost Circ.			
						10. Drill Cmt./LOT			
						11. N.U./ N.D.			6
						12. P.U./L.D. BHA			1
						13. P.U./L.D. Pipe			22.5
						14. R/U; R/D			7
						15. Rig Repair			23.5
				I will sent 158 jts of 2 7/8" tbg to Pipe Renewal Services in		16. Run Casing			11.5
				Vernal, tomorrow. There are presently 96 jts of 2 7/8" tubing		17. Service Rig			
				at PRS for inspection and re-conditioning.		18. Sidetrack Op.			
						19. Stuck Pipe			
						20. Survey			
						21. Trips	1.5		52.5
						22. Tst. BOPs			2
				Checked locations Catus Rose, State MSC #35 -1, State MSC # 16-1, &		23. UR/HO			
				MSC State #32-1		24. W.O.W.			
				Trash basket is still on Catus Rose		25. Wash & Ream			
						26. Well Control			
						27. WOC			
						28. Other	3.5		197.5
						Total	5		407
Total Hours		5.0							
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost		\$546,402	
Daily	Daily	Gals	Cement:	sx	Daily Cost	\$2,010			
Cum.	Cum.	831	Barite:	sx	Cum. Cost	\$548,412			

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MSC Exploration Daily Completion Report

<u>Block, Lease and Well No.</u> E. Crested Junction - Federal MSC #26-1				<u>Contract Rig</u> Lead #692	<u>DOL</u> 44	<u>DFS</u> 44	<u>Date on Location</u> 3/22/2005	<u>Completion Date</u> Mar 22, 2005	<u>Report Date</u> May 5, 2005
<u>MD</u> 5268'	<u>TVD</u> 5268'	<u>Footage</u> PBDT	<u>AFE No.</u>	<u>AFE Amount</u> \$118,276	<u>Auth. TD.</u>	8,224'		<u>Company Representative</u> Jim Lander	
<u>Present Operation</u> Swabbing				<u>Rig Phone:</u> 254-241-5317			<u>Toolpusher</u> Nat Guerrero		

Current Weather	BLM Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS
Wind:	<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No	LC50 Sample Date	Operator		RKB 15 ft
Seas:	Problem? <input type="checkbox"/> Yes		Contractor	Next BOP Test Date	Water Depth ft
Sky:	<input checked="" type="checkbox"/> No <input type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service		RKB-CHF ft

CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD TVD	Liner Top MD TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	16"		LP		1	37' 37'		Air			
Surface	9 5/8"	32.3	H40	STC	12	534' 534'		Air			
Intermediate/Production	7"	26	L80	LTC	156	6,839' 6,839'		8.8			
Intermediate/Production	7"	23	P110	LTC	14	7,455' 7,455'		8.8			
Production Liner	5"	18	P110	FJ	19	8224' 8224'	7,381' 7,381'	8.7			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

Drilling Log - 2024-08-15														
BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
Bit Remarks:				Cum. ROT. Hrs		PU Wt		SO Wt		ROT Wt		Torque		
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP			Pump #1	Pump #2	Pump #3
1										1/4				
2										1/2				
										3/4				

BHA

Length:	Description:

MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer	Mud Company								
PIT					#1 #2	Desand Cent.										
					#3 #4	Desilt Mud Cl	Daily Cost	Cumulative Cost								
								\$9,622								

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

TIME		HOUR	Time Code	Boats:	Supply Boat Name:	Status:
FROM	TO					
0600	0700	1.0	28	Crew Travel to location	Crew Boat Name:	Status:
0700	0800	1.0	28	40 psi on tbg, open tbg to flare pit, air and traces of water, no gas		
				Made swab run #10 to flare pit, tag fluid level @ 700', had a trace of gas		
				just before water reached the flare, recovered 6 bbls, fluid was		
				reddish colored water changing to a milky color (spent acid)		
				Made swab runs 11-14, to rig tank, last run pulled from seat nipple,		
				recovered 21 bbls, total of 27 bbls		
0800	0830	0.5	28	Wait for fluid to rise		
0830	0900	0.5	28	Swab run #15, tag fluid level @ 3700', recovered 6 bbls,		
				fluid was the same as pervious runs		
0900	1230	3.5	28	Make a swab run every half hour, (7 runs) tagged fluid level @ 4100 -		
				4300', Recovered a total of 24 bbls, fluid recovered same as pervious runs,		
1230	1300	0.5	28	make swab run #23 to flare bit, no gas, recovered 3 bbls,		
				fluid was the same as pervious runs		
1300	1730	4.5	28	Make a swab run every half hour, (9 runs) tagged fluid level @ 4300 -		
				4400', Recovered a total of 29 bbls, fluid recovered same as pervious runs,		
				SWFN		
1730	1800	0.5	28	Crew travel from location		
				swabbed back a total of 89 bbls of fluid, no sign of oil in any of the		
				samples. After the samples were allowed to settle, there was red		
				sediment on the bottom, the water was semi-clear, no indication		
				of oil in samples. Traces of spent acid, Ph has 4. weight of clear fluid		
				was 8.8 ppg		
				recovered a total of 137 bbls in 2 days.		
				Acid treatment was 95 bbls.		
Total Hours		12.0				
Rig Downtime				Fuel Usage	Bulk Material on Board	Previous Cost \$553,222
Daily	Daily			Gals	Cement: sx	Daily Cost \$9,704
Cum.	Cum.			831 Gals	Barite: sx	Cum. Cost \$562,926

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MSC Exploration Daily Completion Report

<u>Block, Lease and Well No.</u> E. Crested Junction - Federal MSC #26-1				<u>Contract Rig</u> Lead #692	<u>DOL</u> 46	<u>DFS</u> 46	<u>Date on Location</u> 3/22/2005	<u>Completion Date</u> Mar 22, 2005	<u>Report Date</u> May 7, 2005
<u>MD</u> 5268'	<u>TVD</u> 5268'	<u>Footage</u> PBSD	<u>AFE No.</u>	<u>AFE Amount</u> \$118,276	<u>Auth. TD.</u> 8,224'		<u>Company Representative</u> Jim Lander		
<u>Present Operation</u> Swabbing				<u>Rig Phone:</u>	254-241-5317		<u>Toolpusher</u> Nat Guerrero		
<u>Rig Fax:</u>									

Current Weather	BLM Visit		NPDES		People on Loc.:		Last BOP Test Date	RIG ELEVATIONS	
Wind:	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<u>LC50 Sample Date</u>		Operator			RKB	15 ft
Seas:	Problem?	<input type="checkbox"/> Yes			Contractor		Next BOP Test Date	Water Depth	ft
Sky:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Pass?	<input type="checkbox"/> Yes <input type="checkbox"/> No	Service			RKB-CHF	ft

CASING RECORD

[illegible][illegible]

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD														
BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
Bit Remarks:					Cum. ROT. Hrs	PU Wt		SO Wt		ROT Wt		Torque		
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP			Pump #1	Pump #2	Pump #3
1										1/4				
2										1/2				
										3/4				

BHA

Length:	Description:

MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer		Mud Company				
PIT						#1	#2	Desand	Cent.							
						#3	#4	Desilt	Mud Cl	Daily Cost		Cumulative Cost				
												\$9,622				

DIRECTIONAL SURVEYS

DIRECTIONAL SURVEYS							
MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

[illegible]

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MSC Exploration Daily Completion Report

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Lead #892	DOL 47	DFS 47	Date on Location 3/22/2005	Completion Date Mar 22, 2005	Report Date May 8, 2005
MD 5268'	TVD 5268'	Footage PBSD	AFE No.	AFE Amount \$118,276	Auth. YD 8,224'	Company Representative Jim Lander			
Present Operation SD for Sunday				Rig Phone: 254-241-5317	Toolpusher Nat Guerrero				
				Rig Fax:					

Current Weather	BLM Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS
Wind:	<input type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator		RKB 15 ft
Seas:	Problem? <input type="checkbox"/> Yes		Contractor	Next BOP Test Date	Water Depth ft
Sky:	<input type="checkbox"/> No	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service		RKB-CHF ft

CASING RECORD

Casing String	OD	WT.	Grade	Conn.	Jts. Run	Setting Depth MD TVD	Liner Top MD TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	16"		LP		1	37' 37'		Air			
Surface	9 5/8"	32.3	H40	STC	12	534' 534'		Air			
Intermediate/Production	7"	26	L80	LTC	156	6,839' 6,839'		8.8			
Intermediate/Production	7"	23	P110	LTC	14	7,455' 7,455'		8.8			
Production Liner	5"	18	P110	FJ	19	8224' 8224'	7,381' 7,381'	8.7			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade Tooth Bearing Gage
Bit Remarks:				Cum. ROT. Hrs		PU Wt	SO Wt	ROT Wt	Torque		
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV DC DP	Speed 1/4	SPM	Slow Pump Pressures Pump #1 Pump #2 Pump #3
1									1/2		
2									3/4		

BHA

Length:	Description:

MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer	Mud Company								
PIT					#1 #2 Desand Cent.											
					#3 #4 Desilt Mud Cl	Daily Cost		Cumulative Cost								
								\$9,622								

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

TIME		HOUR	Time Code	Boats:	Supply Boat Name:	Status:
FROM	TO					
0600	0700	1.0	28	Crew Travel to location	Crew Boat Name:	Status:
0700	0800	1.0	28	20 psi on tbg, open tbg to flare pit, air and traces of water trace of gas		
				Made swab run #72 to flare pit, tag fluid level @ 1200', had some gas		
				(slightly more than yesterday) ahead of the water		
				recovered 8 bbls, fluid was reddish colored water		
				changing to a milky color (spent acid)		
				Continue swabbing (runs 73-76) to rig tank, recovered 17 bbls of fluid,		
				fluid same as previous runs, PH is 4. weight of fluid is 8.7 ppg		
0800	0830	0.5	28	wait for fluid to rise		
0830	1200	3.5	28	Make a swab run every half hour, (8 runs) tagged fluid level @ 4100'		
				Recovered a total of 21 bbls, fluid recovered same as pervious runs,		
				While POOH w/ swab run #84, the draw works chain broke		
1200	1245	0.8	15	Repair draw works chain		
1245	1300	0.3	28	Finish POOH, recovered 3 bbls, Red colored water PH of 5,		
				semi clear fluid PH of 4. Weight of fluid is 8.8 ppg.		
1300	1330	0.5	28	wait for fluid to rise		
1330	1400	0.5	28	Make swab run # 85 to flare pit, tag fluid @ 3500' no sign of gas,		
				Recovered 5 bbls of same fluid.		
				While POOH w/ sand line, the draw works chain was jumping		
				the teeth on the sand line sprocket,		
				SDFN, remove idler gear (bushing) it is completely worn out,		
1400	1430	0.5	28	Crew Travel from location		
				Swabbed back a total of 54 bbls of fluid, no sign of oil		
				recovered a total of 343 bbls in 5 days.		
				Because the idler gear is not able to keep tension on the chain,		
				the chain (which is also worn out) was to much slack and binds up		
				and breaks, we have a new chain but, we are waiting to put it on		
				when we get the new idler gear, which is suppose to be in Rifle		
				as of yesterday. New chain and idler gear are to be put on Monday.		
Total Hours		8.5				
Rig Downtime				Fuel Usage	Bulk Material on Board	Previous Cost
Daily	Daily			Gals	Cement: sx	\$574,148
Cum.	Cum.			831 Gals	Barite: sx	Daily Cost \$4,639
						Cum. Cost \$578,787

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DIV. OF OIL, GAS & MINING

MSC Exploration Daily Completion Report

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Leed #692	DOL 49	DFS 49	Date on Location 3/22/2005	Completion Date Mar 22, 2005	Report Date May 10, 2005
MD 5268'	TVD 5268'	Footage PBDT	AFE No.	AFE Amount \$118,276	Auth. TD 8,224'	Company Representative Jim Lander			
Present Operation Swabbing				Rig Phone: Rig Fax:	254-241-5317		Toolpusher Nat Guerrero		

Current Weather	BLM Visit		NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS
Wind:	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	LC50 Sample Date	Operator		RKB 15 ft
Seas:	Problem?	<input type="checkbox"/> Yes		Contractor	Next BOP Test Date	Water Depth ft
Sky:	<input checked="" type="checkbox"/> No	Pass?	<input type="checkbox"/> Yes <input type="checkbox"/> No	Service		RKB-CHF ft

CASING RECORD

[illegible]

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
Bit Remarks:					Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque					
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP			Pump #1	Pump #2	Pump #3
1										1/4				
2										1/2				
										3/4				

BHA

Length:	Description:

MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer			Mud Company			
PIT						#1	#2	Desand	Cent.							
						#3	#4	Desilt	Mud Cl	Daily Cost			Cumulative Cost			
													\$9,622			

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

TIME			Time	Boats:	Supply Boat Name:	Status:
FROM	TO	HOUR	Code	Crew Boat Name:		Status:
0600	0700	1.0	28	Crew Travel to location		
0700	0800	1.0	28	Install new idler bushing and Chain		
0800	0900	1.0	28	35 psi on tbg, open tbg to flare pit, air, traces of water and some gas		1. Mob/DeMob
				Made swab run #86 to flare pit, tag fluid level @ 750', had some gas		2. Cement
				ahead of the fluid, fluid was red colored water w/ PH of 5		3. Circulate
				changing to a milky color, PH of 4		4. Directional Work
				Continue swabbing (runs 87-90) to rig tank, swabbed fluid to seat nipple		5. Drilling
0900	0930	0.5	28	wait for fluid to rise		6. Drive Pipe
0930	1000	0.5	28	Swab run # 91, Tag fluid level @ 3900' recovered 6bbls		7. Fishing
				fluid same as previous runs,		8. OH Logging
1000	1200	2.0	28	Make a swab run every half hour, (4 runs) tagged fluid level @ 4200'		9. Lost Circ.
1200	1230	0.5	28	Make swab run #96 to flare bit, tag @ 4300', no gas, only fluid		10. Drill Cmt./LOT
1230	1730	5.0	28	Make a swab run every half hour, (8 runs) tagged fluid level @ 4300'		11. N.U./ N.D.
				SWFN, sent samples for the lab		12. P.U./L.D. BHA
1730	1800	0.5	28	Crew travel from location		13. P.U./L.D. Pipe
						14. R/U; R/D
						15. Rig Repair
						16. Run Casing
				Swabbed back a total of 82 bbls of fluid, no sign of oil in any of the		17. Service Rig
				samples. After the samples were allowed to settle, there was red		18. Sidetrack Op.
				sediment on the bottom, the water was semi-clear, no indication		19. Stuck Pipe
				of oil in samples. Traces of spent acid, PH has 4. weight of clear fluid		20. Survey
				was 8.8 ppg		21. Trips
				recovered a total of 425 bbls in 6 days.		22. Tst. BOPs
						23. UR/HO
						24. W.O.W.
						25. Wash & Ream
						26. Well Control
						27. WOC
						28. Other
Total Hours		12.0				Total
Rig Downtime						
Daily		Daily		Bulk Material on Board		Previous Cost
Cum.		Cum.				
				Cement: sx		\$580.797
				Barite: sx		Daily Cost
						\$5,527
						Cum. Cost
						\$586.324

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DIV. OF OIL, GAS & MINING

MSC Exploration Daily Completion Report

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Lead #692	DOL 50	DFS 50	Date on Location 3/22/2005	Completion Date Mar 22, 2005	Report Date May 11, 2005
MD 5268'	TVD 5268'	Footage PBTB	AFE No.	AFE Amount \$118,276	Auth. TD. 8,224'	Company Representative Jim Lander			
Present Operation POOH with packer				Rig Phone: 254-241-5317	Toolpusher Nat Guerrero				
				Rig Fax:					

Current Weather	BLM Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS
Wind:	<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No	LC50 Sample Date	Operator		RKB 15 ft
Seas:	Problem? <input type="checkbox"/> Yes		Contractor	Next BOP Test Date	Water Depth ft
Sky:	<input checked="" type="checkbox"/> No <input type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service		RKB-CHF ft

CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD TVD	Liner Top MD TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	16"		LP		1	37' 37'		Air			
Surface	9 5/8"	32.3	H40	STC	12	534' 534'		Air			
Intermediate/Production	7"	26	L80	LTC	156	6,839' 6,839'		8.8			
Intermediate/Production	7"	23	P110	LTC	14	7,455' 7,455'		8.8			
Production Liner	5"	18	P110	FJ	19	8224' 8224'	7,381' 7,381'	8.7			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade Tooth Bearing Gage
Bit Remarks:				Cum. ROT. Hrs		PU Wt	SO Wt	ROT Wt	Torque		
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV DC DP	Speed 1/4 1/2 3/4	SPM	Slow Pump Pressures Pump #1 Pump #2 Pump #3
1									1/2		
2									3/4		

BHA

Length:	Description:

MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer	Mud Company								
PIT					#1 #2 Desand Cent.											
					#3 #4 Desilt Mud Cl			Daily Cost		Cumulative Cost						
										\$9,622						

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

TIME		HOUR	Time Code	Boats:	Supply Boat Name:	Status:
FROM	TO					
0600	0700	1.0	28	Crew Travel to location	Crew Boat Name:	Status:
0700	0800	1.0	28	10 psi on tbg, open tbg to flare pit, air, traces of water and some gas		
				Made swab run #107 to flare pit, tag fluid level @ 1200', had some gas		
				ahead of the fluid, fluid was red colored water w/ PH of 5		
				changing to a milky color, PH of 4		
				Continue swabbing (runs 108 -111) to rig tank, swabbed fluid to seat nipple		
0800	0830	0.5	28	wait for fluid to rise		
0830	0900	0.5	28	Swab run # 112, Tag fluid level @ 3900' recovered 3 bbls		
				fluid same as previous runs,		
0900	1300	4.0	28	Make a swab run every half hour, (8 runs) tagged fluid level @ 4300'		
1300	1330	0.5	28	Make swab run #121 to flare bit, tag @ 4300', no gas, only fluid		
1330	1600	2.5	28	Make a swab run every half hour, (5 runs) tagged fluid level @ 4300'		
				Sent samples for the lab		
				Change in orders, terminate swabbing and prepare to temporally		
				abandon the well & move to MSC Exploration State #16-1		
1600	1700	1.0	21	Load tbg w/ formation fluid, unset packer and POOH and L/D 14 jts		
				of 2 7/8" tbg		
1700	1730	0.5	28	Crew travel from location		
				Swabbed back a total of 71 bbls of fluid, no sign of oil in any of the		
				samples. After the samples were allowed to settle, there was red		
				sediment on the bottom, the water was semi-clear, no indication		
				of oil in samples. Ph has 5, weight of clear fluid		
				was 8.8 ppg, Ph of the fluid at the end of the run was 4.		
				recovered a total of 496 bbls in 7 days.		
				Made a total of 126 swab runs		
Total Hours		11.5				
Rig Downtime				Fuel Usage		Bulk Material on Board
Daily		Daily		Gals		Cement: sx
Cum.		Cum.		831 Gals		Barite: sx
				Previous Cost		\$586,324
				Daily Cost		\$5,953
				Cum. Cost		\$592,277

RECEIVED

MAY 25 2005

DIV. OF OIL, GAS & MINING

MSC Exploration Daily Completion Report

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Lead #692	DOL 51	DFS 51	Date on Location 3/22/2005	Completion Date Mar 22, 2005	Report Date May 12, 2005
MD 5268'	TVD 5268'	Footage PBSD	AFE No.	AFE Amount \$118,276	Auth. TD 8,224'	Company Representative Jim Lander			
Present Operation Prep to move rig				Rig Phone: 254-241-5317	Toolpusher Nat Guerrero				

Current Weather	BLM Visit <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	NPDES LC50 Sample Date	People on Loc.: Operator	Last BOP Test Date	RIG ELEVATIONS RKB 15 ft
Wind:	Problem? <input type="checkbox"/> Yes	Contractor	Next BOP Test Date	Water Depth	ft
Seas:	<input checked="" type="checkbox"/> No <input type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service		RKB-CHF	ft
Sky:					

CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD	TVD	Liner Top MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	16"		LP		1	37'	37'			Air			
Surface	9 5/8"	32.3	H40	STC	12	534'	534'			Air			
Intermediate/Production	7"	26	L80	LTC	156	6,839'	6,839'			8.8			
Intermediate/Production	7"	23	P110	LTC	14	7,455'	7,455'			8.8			
Production Liner	5"	18	P110	FJ	19	8224'	8224'	7,381'	7,381'	8.7			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade Tooth Bearing Gage		
Bit Remarks:				Cum. ROT. Hrs		PU Wt	SO Wt	ROT Wt	Torque				
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV DC DP	Speed 1/4	SPM	Slow Pump Pressures Pump #1 Pump #2 Pump #3		
1									1/2				
2									3/4				

BHA

Length:	Description:

MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer				Mud Company		
PIT						#1	#2	Desand	Cent.							
						#3	#4	Desilt	Mud Cl	Daily Cost		Cumulative Cost				
													\$9,622			

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

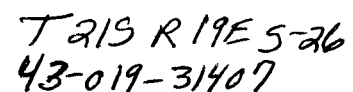
OPERATIONS SUMMARY

TIME		TIME	Boats:	Supply Boat Name:	Status:
FROM	TO	Code	Crew Boat Name:		Status:
0600	0700	1.0	28	Crew Travel to location	
0700	0830	1.5	21	Tbg 0 psi, csg 0 psi, Continue POOH w/ test packer	
0830	1000	1.5	21	TIH w/ used seat nipple on 154 jts of 2 7/8" tbg, Land w/ hanger	
1000	1400	4.0	14	R/D rig, N/D BOPs and N/U dry hole tree	
1400	1500	1.0	28	Wait for Truck to P/U BOPs and return them to Grand Junction	
1500	1530	0.5	28	Crew travel from location	
					Time Summary
					Activity Daily Cum.
					1. Mob/DeMob 7.5
					2. Cement 2.5
					3. Circulate 17.5
					4. Directional Work
					5. Drilling
					6. Drive Pipe
					7. Fishing 34
					8. OH Logging 22
					9. Lost Circ.
					10. Drill Cmt./LOT
					11. N.U./N.D. 6
					12. P.U./L.D. BHA 1
					13. P.U./L.D. Pipe 22.5
					14. R/U; R/D 4 11
					15. Rig Repair 26.75
					16. Run Casing 11.5
					17. Service Rig
					18. Sidetrack Op.
					19. Stuck Pipe
					20. Survey
					21. Trips 3 56.5
					22. Tst. BOPs 2
					23. UR/HO
					24. W.O.W.
					25. Wash & Ream
					26. Well Control
					27. WOC
					28. Other 2.5 276.25
Total Hours 9.5					Total 9.5 497
Rig Downtime		Fuel Usage		Bulk Material on Board	
Daily	Daily	Gals	Cement:	sx	Previous Cost \$592,277
Cum.	Cum.	831 Gals	Barite:	sx	Daily Cost \$5,561
					Cum. Cost \$597,838

RECEIVED

MAY 25 2005

DIV. OF OIL, GAS & MINING



DIV. OF OIL, GAS & MINING

JUN 23 2005

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: MSC Exploration, LP Operator Account Number: N 2595
Address: 16800 Imperial Valley Dr. Ste. 380
city Houston
state TEXAS zip 77060 Phone Number: 281-931-8933

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-019-31467	Federal MSC 26-1		NWSE	26	21S	19E	GRAND
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	14785	NOV. 6, 2004		6/29/05		
Comments: <u>WINGT</u>							CONFIDENTIAL

K

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

LYNN FAUST
Name (Please Print)
L Faust
Signature
Administrator 6/23-05
Title Date

(5/2000)

NOTICE

Utah Oil and Gas Conservation General Rule R649-3-21 states that,

- A well is considered completed when the well has been adequately worked to be capable of producing oil or gas or when well testing as required by the division is concluded.
- Within 30 days after the completion or plugging of a well, the following shall be filed:
 - Form 8, Well Completion or Recompletion Report and Log
 - A copy of electric and radioactivity logs, if run
 - A copy of drillstem test reports,
 - A copy of formation water analyses, porosity, permeability or fluid saturation determinations
 - A copy of core analyses, and lithologic logs or sample descriptions if compiled
 - A copy of directional, deviation, and/or measurement-while-drilling survey for each horizontal well

Failure to submit reports in a timely manner will result in the issuance of a Notice of Violation by the Division of Oil, Gas and Mining, and may result in the Division pursuing enforcement action as outlined in Rule R649-10, Administrative Procedures, and Section 40-6-11 of the Utah Code.

As of the mailing of this notice, the division has not received the required reports for

Operator: MSC EXPLORATION LP Today's Date: 08/02/2005

Well: API Number: Drilling Commenced:

SEE ATTACHED LIST:

No monthly drilling reports since 12/2004

To avoid compliance action, required reports should be mailed within 7 business days to:

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

If you have questions or concerns regarding this matter, please call (801) 538-5284.

cc: Well File
Compliance File

Operator	Location			Well Name	API Number	Spud Date - Dry	Spud Date - Rotary	Lease Type
	Twp	Rng	Sec					
MSC EXPLORATION, LP	210S	200E	16	STATE MSC 16-1	4301931401	05/14/04	05/17/04	State
MSC EXPLORATION, LP	210S	190E	35	STATE MSC 35-1	4301931404	07/27/04		State
MSC EXPLORATION, LP	210S	180E	02	CACTUS ROSE MSC 2-1	4301931402	09/09/04		State
MSC EXPLORATION, LP	210S	200E	02	N THOMPSON 2-1	4301931412	10/29/04		State
MSC EXPLORATION, LP	210S	190E	26	FEDERAL MSC 26-1	4301931407	11/08/04	11/12/04	Federal

NO WELL COMPLETION OR RECOMPLETION REPORT AND LOG RECEIVED FOR THE FEDERAL MSC ~~26-1~~ 26-1

Debbie Olson

T213 R19E S-26
43-019-31407

From: Williams, Galan [gwilliams@PPITech.net]
Sent: Thursday, May 19, 2005 1:03 PM
To: Debbie Olson
Subject: RE: Utah Reports

No, we were on 16-1....

G

-----Original Message-----

From: Debbie Olson [mailto:dolson@mscexploration.com]
Sent: Wednesday, May 18, 2005 11:37 AM
To: Williams, Galan
Subject: RE: Utah Reports

Galan,
Were there any reports for the 26-1 from May 13th thru 16th?
Debbie

-----Original Message-----

From: Williams, Galan [mailto:gwilliams@PPITech.net]
Sent: Tuesday, May 17, 2005 9:34 AM
To: lfaust@mscexploration.com; charlie@msctrading.com; mike@msctrading.com;
mscornish@aol.com; dolson@mscexploration.com
Cc: Byrne, Jane; Coufal, Cindy; Byth, Kurt
Subject: Utah Reports
Importance: High

J. Galan Williams, P. E.
Vice President and General Manager of Managed Risk
PPI Technology Services, L. P.
800 Gessner, Suite 900
Houston, TX 77024
Ph: 713-464-2200
Fax: 866-591-4997
mailto:gwilliams@ppitech.net
Check us out at www.ppitech.net

<<CMR 5-17-05 State MSC #16-1.pdf>> <<CDC 5-17-05 State MSC #16-1.pdf>> <<CMR 5-17-05
Federal MSC #26-1.pdf>> <<CDC 5-17-05 Federal MSC #26-1.pdf>>

6/13/2005

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Lead #692	DQL 58	DFS 58	Date on Location 3/22/2005	Completion Date Mar 22, 2005	Report Date May 19, 2005
MD 5268'	TVD 5268'	Footage PBDT	AFE No.	AFE Amount	Auth. TD. 8,224'		Company Representative Jim Lander		
Present Operation WO Mechanic				Rig Phone: Rig Fax:	254-241-5317		Toolpusher Nat Guerrero		

Current Weather	BLM Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS	
Wind:	<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No	LC50 Sample Date	Operator		RKB	15 ft
Seas:	Problem? <input checked="" type="checkbox"/> Yes		Contractor	Next BOP Test Date	Water Depth	ft
Sky:	<input checked="" type="checkbox"/> No <input checked="" type="checkbox"/> Pass? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Service		RKB-CHF	ft

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth		Liner Top		MW when	Pres	LOT	Leakoff?
						MD	TVD	MD	TVD	Run		EMW	
Conductor	16"		LP		1	37'	37'			Air			
Surface	9 5/8"	32.3	H40	STC	12	534'	534'			Air			
Intermediate/Production	7"	26	L80	LTC	156	6,839'	6,839'			8.8			
Intermediate/Production	7"	23	P110	LTC	14	7,455'	7,455'			8.8			
Production Liner	5"	18	P110	FJ	19	8224'	8224'	7,381'	7,381'	8.7			

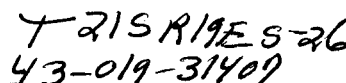
BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade		
											Tooth	Bearing	Gage
Bit Remarks:					Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque				
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV	Speed	SPM	Slow Pump Pressures		
								DC	DP	1/4	Pump #1	Pump #2	Pump #3
1										1/2			
2										3/4			

BHA	Length:	Description:

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer									
PIT					#1 #2 Desand Cent.											
					#3 #4 Desilt Mud Cl	Daily Cost										
																\$9,622

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

TIME		TIME	Code	Boats:	Supply Boat Name:	Status:
FROM	TO					
0600	0700	1.0	28	Crew Travel to Location	Crew Boat Name:	Status:
0700	1400	7.0	28	Laid gravel pad, set concrete slab, re-assemble the pumping unit,		
1400	1500	1.0	28	Attempt to start the Ajax engine, could not get it to start		
				A mechanic is to be here in the morning.		
				We need to get the unit running to verify that the pumping unit is lined up correctly with the well.		
1500	1530	0.5	28	Crew travel from location		
				Holding Leed rig at location until well is on pump.		
Total Hours		9.5				
Rig Downtime				Fuel Usage	Bulk Material on Board	Previous Cost
Daily	Daily			Gals	Cement: sx	\$617,545
Cum.	Cum.			831 Gals	Barite: sx	Daily Cost \$10,282
						Cum. Cost \$627,827



TIME		HOUR	Time Code	Boats:	Supply Boat Name:	Status:
FROM	TO					
0600	0730	1.5				
0730	0800	0.5	28	Crew Travel to Location		
0800	1030	2.5	28	Wait for mechanic to start Ajax engine	1. Mob/DeMob	7.5
1030	1200	1.5	28	Mechanic repaired engine, started running, checked pumping unit for alignment, made minor adjustments	2. Cement	2.5
					3. Circulate	17.5
1200	1600	4.0	28	Pumping unit pumping water to frac tank	4. Directional Work	
				It took about 1 hr for water to reach the surface	5. Drilling	
				At 13:00 hrs, started pumping water into frac tank	6. Drive Pipe	
				Estmate pumping water at a rate of 3 BBL/ hr or 72 bbls/day	7. Fishing	34
				Released mechanic, installed portable fence around pumping unit	8. OH Logging	22
1600	1630	0.5	28	Crew Travel from location	9. Lost Circ.	
					10. Drill Cmt./LOT	
					11. N.U./ N.D.	6
					12. P.U./L.D. BHA	1
					13. P.U./L.D. Pipe	22.5
				Plan to release rig tomorrow if pumping unit is working properly	14. R/U; R/D	12.5
					15. Rig Repair	26.75
					16. Run Casing	11.5
				All rental equipment will be returned tomorrow, except for the frac tanks	17. Service Rig	
					18. Sidetrack Op.	
					19. Stuck Pipe	
					20. Survey	
				Plan to re-attach the insulation and the tin covering to the upright	21. Trips	61.5
				500 bbl storage tank on the MSC Solaris#1-32 location,	22. Tst. BOPs	2
				the wind was torn some of it loose, prior to releasing the rig.	23. UR/HO	
					24. W.O.W.	
					25. Wash & Ream	
					26. Well Control	
					27. WOC	
					28. Other	9
					Total	9
Total Hours		10.5				
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost \$627,827
Daily	Daily	Gals	Cement:	sx	Daily Cost	\$8,715
Cum.	Cum.	831 Gals	Barite:	sx	Cum. Cost	\$636,542



T21SR19E S-26
43-019-31407

OPERATIONS SUMMARY				Boats:	Supply Boat Name:	Status:	
TIME		HOUR	Time Code	Crew Boat Name:	Status:		
FROM	TO				Activity	Daily	Cum.
0600	0700	1.0	28	Crew travel to location			
0700	0900	2.0	28	Fix tank covering on MSC Solaris #1-32			
0900	1100	2.0	14	R/D rig	1. Mob/DeMob	7.5	
				Stop pumping unit @ 9:00 am, restart pumping unit @ 10:30 am	2. Cement	2.5	
				Pumping unit pumped a total of 48 bbls in 20 hrs.	3. Circulate	17.5	
				hourly rate of 2.4 bbls/ hr	4. Directional Work		
1100	1200	1.0	28	Clean location	5. Drilling		
1200	1230	0.5	28	Crew travel from location	6. Drive Pipe		
					7. Fishing	34	
				Rig released @ 12:00 noon today	8. OH Logging	22	
					9. Lost Circ.		
					10. Drill Cmt./LOT		
					11. N.U./ N.D.	6	
					12. P.U./L.D. BHA	1	
				Ollie Knutson will gauge the tanks each day and report to the MSC office in Houston.	13. P.U./L.D. Pipe	22.5	
					14. R/U; R/D	2	
					15. Rig Repair	26.75	
					16. Run Casing	11.5	
					17. Service Rig		
				All rental equipment will be released today and returned, except for the frac tanks.	18. Sidetrack Op.		
					19. Stuck Pipe		
				Knuts & sons have some trucks on location at no charge to us.	20. Survey		
				They will move them next week.	21. Trips	61.5	
					22. Tst. BOPs	2	
				Leed will move the rig either tomorrow or Monday.	23. UR/HO		
					24. W.O.W.		
				This is the final report from PPI Technology Services..	25. Wash & Ream		
					26. Well Control		
					27. WOC		
					28. Other	4.5	
					Total	543.5	
Total Hours		6.5					
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost \$636,542	
Daily	Daily	Gals	Cement:	sx	Daily Cost	\$9,417	
Cum.	Cum.	831 Gals	Barite:	sx	Cum. Cost	\$645,959	

MSC Exploration Daily Completion Report

T 215 R19E S-26
43-019-31407

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Lead #692	DOL 66	DFS 66	Date on Location 3/22/2005	Completion Date Mar 22, 2005	Report Date May 27, 2005
MD 5268'	TVD 5268'	Footage PBTD	AFE No.	AFE Amount	Auth. TD. 8,224'	Company Representative Jim Lander			
Present Operation Repairing pumping unit				Rig Phone: 254-241-5317	Toolpusher Nat Guerrero				
Rig Fax:									

Current Weather	BLM Visit <input type="checkbox"/> Yes <input type="checkbox"/> No	NPDES LC50 Sample Date	People on Loc.: Operator	Last BOP Test Date	RIG ELEVATIONS RKB 15 ft
Seas:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Contractor	Next BOP Test Date	Water Depth ft
Sky:			Service		RKB-CHF ft

CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD	TVD	Liner Top MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	16"		LP		1	37'	37'			Air			
Surface	9 5/8"	32.3	H40	STC	12	534'	534'			Air			
Intermediate/Production	7"	26	L80	LTC	156	6,839'	6,839'			8.8			
Intermediate/Production	7"	23	P110	LTC	14	7,455'	7,455'			8.8			
Production Liner	5"	18	P110	FJ	19	8224'	8224'	7,381'	7,381'	8.7			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade Tooth	Bearing	Gage
Bit Remarks:				Cum. ROT. Hrs		PU Wt	SO Wt	ROT Wt	Torque				
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV	Speed	SPM	Slow Pump Pressures		
								DC	DP	1/4	Pump #1	Pump #2	Pump #3
1										1/2			
2										3/4			

BHA

Length:	Description:

MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides		Ca++		Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer		Mud Company			
PIT							#1	#2	Desand	Cent.						
							#3	#4	Desilt	Mud Cl	Daily Cost		Cumulative Cost			
													\$9,622			

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

TIME		HOUR	Time Code	Boats:	Supply Boat Name:	Status:	Status:
FROM	TO						
0600	0600			Pumping has not run since Monday when it ran out of propane. Ollie Knutson decided that he did not want the pumping job. Galan Williams back on payroll looking for replacement. Found Cecil Gustagson in Thompson, UT. Pumping has shaken nuts and bolts loose and is off-balance. Cecil will work on unit and get it back on line.			<div>Time Summary</div> <div><div>Activity</div><div>Daily</div><div>Cum.</div></div>
							1. Mob/DeMob7.5
							2. Cement2.5
							3. Circulate17.5
							4. Directional Work
							5. Drilling
							6. Drive Pipe
							7. Fishing34
							8. OH Logging22
							9. Lost Circ.
							10. Drill Cmt./LOT
							11. N.U./N.D.6
							12. P.U./L.D. BHA1
							13. P.U./L.D. Pipe22.5
							14. R/U; R/D14.5
							15. Rig Repair26.75
							16. Run Casing11.5
							17. Service Rig
							18. Sidetrack Op.
							19. Stuck Pipe
							20. Survey
							21. Trips61.5
							22. Tst. BOPs2
							23. UR/HO
							24. W.O.W.
							25. Wash & Ream
							26. Well Control
							27. WOC
							28. Other314.2
							Total543.5
Total Hours							
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost	\$645,959
Daily		Daily	Gals	Cement:	sx	Daily Cost	\$1,120
Cum.		Cum.	831 Gals	Barite:	sx	Cum. Cost	\$647,079

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Leed #692	DOL 67	DFS 67	Date on Location 3/22/2005	Completion Date Mar 22, 2005	Report Date May 28, 2005
MD 5268'	TVD 5268'	Footage PBDT	AFE No.	AFE Amount	Auth. TD. 8,224'		Company Representative Jim Lander		
Present Operation WO pumping unit repair				Rig Phone: Rig Fax:	254-241-5317		Toolpusher Nat Guerrero		

Current Weather	BLM Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS
Wind:	<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No	LC50 Sample Date	Operator		RKB 15 ft
Seas:	Problem? <input checked="" type="checkbox"/> Yes		Contractor	Next BOP Test Date	Water Depth ft
Sky:	<input checked="" type="checkbox"/> No Pass? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Service		RKB-CHF ft

CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth		Liner Top		MW when Run	Pres	LOT	Leakoff?
	MD	TVD	MD	TVD									
Conductor	16"		LP		1	37'	37'			Air			
Surface	9 5/8"	32.3	H40	STC	12	534'	534'			Air			
Inmediate/Production	7"	26	L80	LTC	156	6,839'	6,839'			8.8			
Inmediate/Production	7"	23	P110	LTC	14	7,455'	7,455'			8.8			
Production Liner	5"	18	P110	FJ	19	8224'	8224'	7,381'	7,381'	8.7			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade		
											Tooth	Bearing	Gage
Bit Remarks:					Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque				
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures	
								DC	DP	1/4		Pump #1	Pump #2 Pump #3
1										1/2			
2										3/4			

BHA

Length:	Description:

MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer									
PIT					#1 #2	Desand Cent.										
					#3 #4	Desilt Mud Cl	Daily Cost									
																\$9,622

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

TIME		Time Code	Boats:	Supply Boat Name:	Status:
FROM	TO			Crew Boat Name:	Status:
0600	0600		Cecil Gustafson repaired pumping unit. Radiator has developed leaks and will not hold water long enough to run overnight. Dismantle radiator and will take to shop in Gr. Junction on Tuesday.		
				Time Summary	
				Activity	Daily Cum.
				1. Mob/DeMob	7.5
				2. Cement	2.5
				3. Circulate	17.5
				4. Directional Work	
				5. Drilling	
				6. Drive Pipe	
				7. Fishing	34
				8. OH Logging	22
				9. Lost Circ.	
				10. Drill Cmt./LOT	
				11. N.U./N.D.	6
				12. P.U./L.D. BHA	1
				13. P.U./L.D. Pipe	22.5
				14. R/U; R/D	14.5
				15. Rig Repair	26.75
				16. Run Casing	11.5
				17. Service Rig	
				18. Sidetrack Op.	
				19. Stuck Pipe	
				20. Survey	
				21. Trips	61.5
				22. Tst. BOPs	2
				23. UR/HO	
				24. W.O.W.	
				25. Wash & Ream	
				26. Well Control	
				27. WOC	
				28. Other	314.25
				Total	543.5
Total Hours					
Rig Downtime		Fuel Usage	Bulk Material on Board	Previous Cost	\$647,079
Daily	Daily	Gals	Cement: sx	Daily Cost	\$1,720
Cum.	Cum.	831 Gals	Barite: sx	Cum. Cost	\$648,799



T215 R19E S-26
43-019-37407

Current Weather	BLM Visit		NPDES		People on Loc.:	Last BOP Test Date	RIG ELEVATIONS	
Wind:	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<u>LC50 Sample Date</u>		Operator		RKB	15 ft
Seas:	Problem?	<input checked="" type="checkbox"/> Yes			Contractor	Next BOP Test Date	Water Depth	ft
Sky:		<input checked="" type="checkbox"/> No	Pass?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Service		RKB-CHF	ft

[illegible]

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade		
											Tooth	Bearing	Gage
Bit Remarks:					Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque				
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV DC DP		Speed 1/4	SPM	Slow Pump Pressures Pump #1 Pump #2 Pump #3	
1										1/2			
2										3/4			

Length:	Description:

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer		Mud Company				
PIT						#1	#2	Desand	Cent.							
						#3	#4	Desilt	Mud Cl	Daily Cost		Cumulative Cost				
										\$9,622						

DIRECTIONAL SURVEYS							
MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

[illegible]



MSC Exploration Daily Completion Report

CONFIDENTIAL
T 213 R 19E S-24
43-019-31407

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Leed #692	DOL 78	DFS 78	Date on Location 3/22/2005	Completion Date Mar 22, 2005	Report Date Jun 8, 2005
MD 5268'	TVD 5268'	Footage PBDT	AFE No.	AFE Amount	Auth. TD. 8,224'		Company Representative Jim Lander		
Present Operation Pumping to tanks				Rig Phone: 254-241-5317	Toolpusher Nat Guerrero				

Current Weather	BLM Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS
Wind:	<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No	LC50 Sample Date	Operator		RKB 15 ft
Seas:	Problem? <input checked="" type="checkbox"/> Yes		Contractor	Next BOP Test Date	Water Depth ft
Sky:	<input checked="" type="checkbox"/> No	Pass? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Service		RKB-CHF ft

CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD TVD	Liner Top MD TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	16"		LP		1	37' 37'		Air			
Surface	9 5/8"	32.3	H40	STC	12	534' 534'		Air			
Inmediate/Production	7"	26	L80	LTC	156	6,839' 6,839'		8.8			
Inmediate/Production	7"	23	P110	LTC	14	7,455' 7,455'		8.8			
Production Liner	5"	18	P110	FJ	19	8224' 8224'	7,381' 7,381'	8.7			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade Tooth Bearing Gage		
Bit Remarks:					Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque				
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV DC DP	Speed 1/4 1/2 3/4	SPM	Slow Pump Pressures Pump #1 Pump #2 Pump #3		
1													
2													

BHA

Length:	Description:
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MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	P/Mf
PIT																
Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours	Mud Engineer				Mud Company				
PIT					#1	#2	Desand	Cent.								
					#3	#4	Desilt	Mud Cl	Daily Cost			Cumulative Cost \$9,622				

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE
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OPERATIONS SUMMARY

TIME FROM TO		HOUR	Time Code	Boats:	Supply Boat Name:	Status:
0600 0600				Crew Boat Name:	Status:	
				Pumping unit pumping to tanks. Recovered 45 bbls of water. No trace of oil.	Time Summary Activity Daily Cum.	
				Pumping unit averaging 12% usage of propane volume per day.	1. Mob/DeMob 7.5	
				Total recovery since swabbing began on zone - 712 bbls	2. Cement 2.5	
					3. Circulate 17.5	
					4. Directional Work	
					5. Drilling	
					6. Drive Pipe	
					7. Fishing 34	
					8. OH Logging 22	
					9. Lost Circ.	
					10. Drill Cmt./LOT	
					11. N.U./N.D. 6	
					12. P.U./L.D. BHA 1	
					13. P.U./L.D. Pipe 22.5	
					14. R/U; R/D 14.5	
					15. Rig Repair 26.75	
					16. Run Casing 11.5	
					17. Service Rig	
					18. Sidetrack Op.	
					19. Stuck Pipe	
					20. Survey	
					21. Trips 61.5	
					22. Tst. BOPs 2	
					23. UR/HO	
					24. W.O.W.	
					25. Wash & Ream	
					26. Well Control	
					27. WOC	
					28. Other 314.25	
Total Hours					Total	543.5
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost \$650,199
Daily	Daily	Gals	Cement:	sx	Daily Cost	\$620
Cum.	Cum.	831 Gals	Barite:	sx	Cum. Cost	\$650,819



MSC Exploration Daily Completion Report

T219R19E S-26
43-019-31409

Current Weather	BLM Visit		NPDES	People on Loc.:		Last BOP Test Date	RIG ELEVATIONS	
Wind:	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<u>LC50 Sample Date</u>	Operator			RKB	15 ft
Seas:	Problem?	<input type="checkbox"/> Yes		Contractor		Next BOP Test Date	Water Depth	ft
Sky:		<input type="checkbox"/> No	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service			RKB-CHF	ft

CASING RECORD

[illegible]

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD									
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BIT, WEIGHT, SPEED AND THROUSTER RECORD														
BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
Bit Remarks:					Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque					
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP			Pump #1	Pump #2	Pump #3
1										1/2				
2										3/4				

BHA

DNA	
Length:	Description:

MUD DATA

MUD DATA																
	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																

DIRECTIONAL SURVEYS

DIRECTIONAL SURVEYS							
MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

TIME		Time Code	Boats:	Supply Boat Name:	Status:																																																																																													
FROM	TO					Hour	Crew Boat Name:	Status:																																																																																										
0600	0600			Pumping unit pumping to tanks. Recovered 45 bbls of water. No trace of oil.	<table><tr><th colspan="3">Time Summary</th></tr><tr><th>Activity</th><th>Daily</th><th>Cum.</th></tr><tr><td>1. Mob/DeMob</td><td></td><td>7.5</td></tr><tr><td>2. Cement</td><td></td><td>2.5</td></tr><tr><td>3. Circulate</td><td></td><td>17.5</td></tr><tr><td>4. Directional Work</td><td></td><td></td></tr><tr><td>5. Drilling</td><td></td><td></td></tr><tr><td>6. Drive Pipe</td><td></td><td></td></tr><tr><td>7. Fishing</td><td></td><td>34</td></tr><tr><td>8. OH Logging</td><td></td><td>22</td></tr><tr><td>9. Lost Circ.</td><td></td><td></td></tr><tr><td>10. Drill Cmt./LOT</td><td></td><td></td></tr><tr><td>11. N.U./ N.D.</td><td></td><td>6</td></tr><tr><td>12. P.U./L.D. BHA</td><td></td><td>1</td></tr><tr><td>13. P.U./L.D. Pipe</td><td></td><td>22.5</td></tr><tr><td>14. R/U; R/D</td><td></td><td>14.5</td></tr><tr><td>15. Rig Repair</td><td></td><td>26.75</td></tr><tr><td>16. Run Casing</td><td></td><td>11.5</td></tr><tr><td>17. Service Rig</td><td></td><td></td></tr><tr><td>18. Sidetrack Op.</td><td></td><td></td></tr><tr><td>19. Stuck Pipe</td><td></td><td></td></tr><tr><td>20. Survey</td><td></td><td></td></tr><tr><td>21. Trips</td><td></td><td>61.5</td></tr><tr><td>22. Tst. BOPs</td><td></td><td>2</td></tr><tr><td>23. UR/HO</td><td></td><td></td></tr><tr><td>24. W.O.W.</td><td></td><td></td></tr><tr><td>25. Wash & Ream</td><td></td><td></td></tr><tr><td>26. Well Control</td><td></td><td></td></tr><tr><td>27. WOC</td><td></td><td></td></tr><tr><td>28. Other</td><td></td><td>314.25</td></tr><tr><td>Total</td><td></td><td>543.5</td></tr></table>	Time Summary			Activity	Daily	Cum.	1. Mob/DeMob		7.5	2. Cement		2.5	3. Circulate		17.5	4. Directional Work			5. Drilling			6. Drive Pipe			7. Fishing		34	8. OH Logging		22	9. Lost Circ.			10. Drill Cmt./LOT			11. N.U./ N.D.		6	12. P.U./L.D. BHA		1	13. P.U./L.D. Pipe		22.5	14. R/U; R/D		14.5	15. Rig Repair		26.75	16. Run Casing		11.5	17. Service Rig			18. Sidetrack Op.			19. Stuck Pipe			20. Survey			21. Trips		61.5	22. Tst. BOPs		2	23. UR/HO			24. W.O.W.			25. Wash & Ream			26. Well Control			27. WOC			28. Other		314.25	Total		543.5
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Rig Downtime		Fuel Usage		Bulk Material on Board	Previous Cost \$650,939																																																																																													
Daily	Daily	Gals	Cement:	sx	Daily Cost \$120																																																																																													
Cum.	Cum.	831	Barite:	sx	Cum. Cost \$651,059																																																																																													



MSC Exploration Daily Completion Report

T213 R19E S26
43-019-31409

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Lead #692		DOL 81	DFS 81	Date on Location 3/22/2005	Completion Date Mar 22, 2005	Report Date Jun 11, 2005
MD 5268'	TVD 5268'	Footage PBDT	AFE No.	AFE Amount		Auth. TD. 8,224'		Company Representative Jim Lander		
Present Operation Pumping to tanks				Rig Phone: 435-285-2336		Toolpusher Nat Guerrero				

Current Weather	BLM Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS
Wind:	<input type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator		RKB 15 ft
Seas:	Problem? <input type="checkbox"/> Yes		Contractor	Next BOP Test Date	Water Depth ft
Sky:	<input type="checkbox"/> No	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service		RKB-CHF ft

CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD TVD	Liner Top MD TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	16"		LP		1	37' 37'		Air			
Surface	9 5/8"	32.3	H40	STC	12	534' 534'		Air			
Intermediate/Production	7"	26	L80	LTC	156	6,839' 6,839'		8.8			
Intermediate/Production	7"	23	P110	LTC	14	7,455' 7,455'		8.8			
Production Liner	5"	18	P110	FJ	19	8224' 8224'	7,381' 7,381'	8.7			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade Tooth Bearing Gage
Bit Remarks:											
Cum. ROT. Hrs						PU Wt	SO Wt	ROT Wt	Torque		
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV DC DP	Speed 1/4 1/2 3/4	SPM	Slow Pump Pressures Pump #1 Pump #2 Pump #3
1											
2											

BHA

Length:	Description:
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MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
Chlorides Ca++ Smp Temp F.L. Temp Shaker Screens Hours Mud Engineer Mud Company																
PIT																
#1 #2 Desand Cent.																
#3 #4 Desill Mud Cl Daily Cost Cumulative Cost																
\$9,622																

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE
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OPERATIONS SUMMARY

TIME		Time Code	Boats:	Supply Boat Name:	Crew Boat Name:	Status:																																																																																													
FROM	TO																																																																																																		
0600	0600		Pumping unit pumping to tanks. Recovered 39 bbls of water. No trace of oil.			<table><tr><th colspan="3">Time Summary</th></tr><tr><th>Activity</th><th>Daily</th><th>Cum.</th></tr><tr><td>1. Mob/DeMob</td><td></td><td>7.5</td></tr><tr><td>2. Cement</td><td></td><td>2.5</td></tr><tr><td>3. Circulate</td><td></td><td>17.5</td></tr><tr><td>4. Directional Work</td><td></td><td></td></tr><tr><td>5. Drilling</td><td></td><td></td></tr><tr><td>6. Drive Pipe</td><td></td><td></td></tr><tr><td>7. Fishing</td><td></td><td>34</td></tr><tr><td>8. OH Logging</td><td></td><td>22</td></tr><tr><td>9. Lost Circ.</td><td></td><td></td></tr><tr><td>10. Drill Cmt./LOT</td><td></td><td></td></tr><tr><td>11. N.U./N.D.</td><td></td><td>6</td></tr><tr><td>12. P.U./L.D. BHA</td><td></td><td>1</td></tr><tr><td>13. P.U./L.D. Pipe</td><td></td><td>22.5</td></tr><tr><td>14. R/U; R/D</td><td></td><td>14.5</td></tr><tr><td>15. Rig Repair</td><td></td><td>26.75</td></tr><tr><td>16. Run Casing</td><td></td><td>11.5</td></tr><tr><td>17. Service Rig</td><td></td><td></td></tr><tr><td>18. Sidetrack Op.</td><td></td><td></td></tr><tr><td>19. Stuck Pipe</td><td></td><td></td></tr><tr><td>20. Survey</td><td></td><td></td></tr><tr><td>21. Trips</td><td></td><td>61.5</td></tr><tr><td>22. Tst. BOPs</td><td></td><td>2</td></tr><tr><td>23. UR/HO</td><td></td><td></td></tr><tr><td>24. W.O.W.</td><td></td><td></td></tr><tr><td>25. Wash & Ream</td><td></td><td></td></tr><tr><td>26. Well Control</td><td></td><td></td></tr><tr><td>27. WOC</td><td></td><td></td></tr><tr><td>28. Other</td><td></td><td>314.25</td></tr><tr><td>Total</td><td></td><td>543.5</td></tr></table>	Time Summary			Activity	Daily	Cum.	1. Mob/DeMob		7.5	2. Cement		2.5	3. Circulate		17.5	4. Directional Work			5. Drilling			6. Drive Pipe			7. Fishing		34	8. OH Logging		22	9. Lost Circ.			10. Drill Cmt./LOT			11. N.U./N.D.		6	12. P.U./L.D. BHA		1	13. P.U./L.D. Pipe		22.5	14. R/U; R/D		14.5	15. Rig Repair		26.75	16. Run Casing		11.5	17. Service Rig			18. Sidetrack Op.			19. Stuck Pipe			20. Survey			21. Trips		61.5	22. Tst. BOPs		2	23. UR/HO			24. W.O.W.			25. Wash & Ream			26. Well Control			27. WOC			28. Other		314.25	Total		543.5
Time Summary																																																																																																			
Activity	Daily	Cum.																																																																																																	
1. Mob/DeMob		7.5																																																																																																	
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Total		543.5																																																																																																	
Total Hours																																																																																																			
Rig Downtime			Fuel Usage		Bulk Material on Board	Previous Cost \$651,059																																																																																													
Daily	Daily		Gals	Cement:	sx	Daily Cost \$120																																																																																													
Cum.	Cum.		831 Gals	Barite:	sx	Cum. Cost \$651,179																																																																																													



MSC Exploration
Daily Completion Report

CONFIDENTIAL
T21S R19E S27E
43-019-31409

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Lead #692		DOL 82	DFS 82	Date on Location 3/22/2005	Completion Date Mar 22, 2005	Report Date Jun 12, 2005
MD 5268'	TVD 5268'	Footage P8TD	AFE No.	AFE Amount	Auth. TD 8,224'	Company Representative Jim Lander				
Present Operation Pumping to tanks				Rig Phone: 435-285-2336			Toolpusher Nat Guerrero			
Rig Fax:										

Current Weather	BLM Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS
Wind:	<input type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator		RKB 15 ft
Seas:	Problem? <input type="checkbox"/> Yes		Contractor	Next BOP Test Date	Water Depth ft
Sky:	<input type="checkbox"/> No	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service		RKB-CHF ft

CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD TVD	Liner Top MD TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	16"		LP		1	37' 37'		Air			
Surface	9 5/8"	32.3	H40	STC	12	534' 534'		Air			
Intermediate/Production	7"	26	L80	LTC	156	6,839' 6,839'		8.8			
Intermediate/Production	7"	23	P110	LTC	14	7,455' 7,455'		8.8			
Production Liner	5"	18	P110	FJ	19	8224' 8224'	7,381' 7,381'	8.7			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade Tooth Bearing Gage			
Bit Remarks:				Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque						
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV DC DP		Speed 1/4 1/2 3/4	SPM	Slow Pump Pressures Pump #1 Pump #2 Pump #3		
1														
2														

BHA

Length:	Description:

MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer		Mud Company							
PIT					#1 #2 Desand Cent.											
					#3 #4 Desilt Mud Cl	Daily Cost		Cumulative Cost								
								\$9,622								

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

TIME		Time Code	Boats:	Supply Boat Name:	Status:
FROM	TO				
0600	0600				
			Pumping unit pumping to tanks. Recovered 37 bbls of water. No trace of oil.		
			Total recovery since swabbing began on zone - 874 bbls		
			Time Summary		
			Activity Daily Cum.		
			1. Mob/DeMob 7.5		
			2. Cement 2.5		
			3. Circulate 17.5		
			4. Directional Work		
			5. Drilling		
			6. Drive Pipe		
			7. Fishing 34		
			8. OH Logging 22		
			9. Lost Circ.		
			10. Drill Cmt./LOT		
			11. N.U./N.D. 6		
			12. P.U./L.D. BHA 1		
			13. P.U./L.D. Pipe 22.5		
			14. R/U; R/D 14.5		
			15. Rig Repair 26.75		
			16. Run Casing 11.5		
			17. Service Rig		
			18. Sidetrack Op.		
			19. Stuck Pipe		
			20. Survey		
			21. Trips 61.5		
			22. Tst. BOPs 2		
			23. UR/HO		
			24. W.O.W.		
			25. Wash & Ream		
			26. Well Control		
			27. WOC		
			28. Other 314.25		
			Total 543.5		
Total Hours					
Rig Downtime					
Fuel Usage					
Daily			Bulk Material on Board		
Cum.			Previous Cost \$651,179		
			Daily Cost \$120		
			Cum. Cost \$651,299		



PPI
Technology
Services

MSC Exploration Daily Completion Report

T215 R19E S26
43-07-31409

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Leed #692		DOL 83	DFS 83	Date on Location 3/22/2005	Completion Date Mar 22, 2005	Report Date Jun 13, 2005
MD 5268'	TVD 5268'	Footage PSTD	AFE No.	AFE Amount		Auth. TD. 8,224'		Company Representative Jim Lander		
Present Operation Pumping to tanks				Rig Phone: 435-285-2336		Toolpusher Nat Guerrero				
				Rig Fax:						

Current Weather	BLM Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS
Wind:	<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No	LC50 Sample Date	Operator		RKB 15 ft
Seas:	Problem? <input checked="" type="checkbox"/> Yes		Contractor	Next BOP Test Date	Water Depth ft
Sky:	<input checked="" type="checkbox"/> No Pass? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Service		RKB-CHF ft

CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD	TVD	Liner Top MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	16"		LP		1	37'	37'			Air			
Surface	9 5/8"	32.3	H40	STC	12	534'	534'			Air			
Inmediate/Production	7"	26	L80	LTC	156	6,839'	6,839'			8.8			
Inmediate/Production	7"	23	P110	LTC	14	7,455'	7,455'			8.8			
Production Liner	5"	18	P110	FJ	19	8224'	8224'	7,381'	7,381'	8.7			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade Tooth Bearing Gage
Bit Remarks:											
Cum. ROT. Hrs						PU Wt	SO Wt	ROT Wt	Torque		
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV DC DP	Speed	SPM	Slow Pump Pressures Pump #1 Pump #2 Pump #3
1									1/4		
2									1/2		
									3/4		

BHA

Length:	Description:

MUD DATA

WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT															
Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours	Mud Engineer	Mud Company						
PIT					#1	#2	Desand	Cent.							
					#3	#4	Desilt	Mud Cl	Daily Cost	Cumulative Cost					
										\$9,622					

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

TIME		Time Code	Boats:	Supply Boat Name:	Crew Boat Name:	Status:
FROM	TO					
0600	0600					
			Pumping unit pumping to tanks. Recovered 42 bbls of water. Possible trace of oil. Will get sample.			Time Summary Activity Daily Cum.
						1. Mob/DeMob 7.5
						2. Cement 2.5
						3. Circulate 17.5
						4. Directional Work
						5. Drilling
						6. Drive Pipe
						7. Fishing 34
						8. OH Logging 22
						9. Lost Circ.
						10. Drill Cmt./LOT
						11. N.U./N.D. 6
						12. P.U./L.D. BHA 1
						13. P.U./L.D. Pipe 22.5
						14. R/U; R/D 14.5
						15. Rig Repair 26.75
						16. Run Casing 11.5
						17. Service Rig
						18. Sidetrack Op.
						19. Stuck Pipe
						20. Survey
						21. Trips 61.5
						22. Tst. BOPs 2
						23. UR/HO
						24. W.O.W.
						25. Wash & Ream
						26. Well Control
						27. WOC
						28. Other 314.25
						Total 543.5
Total Hours						
Rig Downtime			Fuel Usage		Bulk Material on Board	Previous Cost \$651,299
Daily	Daily		Gals	Cement:	sx	Daily Cost \$120
Cum.	Cum.		831 Gals	Barite:	sx	Cum. Cost \$651,419

MSC Exploration Daily Completion Report

T213 R19E S-26
43-019-31409

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Leed #692		DOL 85	DFS 85	Date on Location 3/22/2005	Completion Date Mar 22, 2005	Report Date Jun 15, 2005
MD 5268'	TVD 5268'	Footage PBTD	AFE No.	AFE Amount	Auth. TD. 8,224'	Company Representative Jim Lander				
Present Operation Pumping to tank				Rig Phone: 435-285-2336		Toolpusher Nat Guerrero				
				Rig Fax:						

Current Weather	BLM Visit <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No	NPDES LC50 Sample Date	People on Loc.: Operator	Last BOP Test Date	RIG ELEVATIONS RKB 15 ft
Wind:	Problem? <input checked="" type="checkbox"/> Yes		Contractor	Next BOP Test Date	Water Depth ft
Seas:	<input checked="" type="checkbox"/> No	Pass? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Service		RKB-CHF ft
Sky:					

CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD	TVD	Liner Top MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	16"		LP		1	37'	37'			Air			
Surface	9 5/8"	32.3	H40	STC	12	534'	534'			Air			
Intermediate/Production	7"	26	L80	LTC	156	6,839'	6,839'			8.8			
Intermediate/Production	7"	23	P110	LTC	14	7,455'	7,455'			8.8			
Production Liner	5"	18	P110	FJ	19	8224'	8224'	7,381'	7,381'	8.7			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth in	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade Tooth Bearing Gage		
Bit Remarks:					Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque				
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV DC DP		Speed	SPM	Slow Pump Pressures Pump #1 Pump #2 Pump #3	
1										1/2			
2										3/4			

BHA

Length:	Description:

MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	P/MI	
PIT																	
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer										Mud Company
PIT					#1 #2 Desand Cent.												
					#3 #4 Desilt Mud Cl	Daily Cost											Cumulative Cost
																	\$9,622

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

TIME		Time Code	Boats: Supply Boat Name: Crew Boat Name:	Status: Status:
FROM	TO			
0600	0600		Pumping unit pumping to tanks. Recovered 53 bbls of water. No trace of oil.	
			Propane tank has to be filled every week.	
			Total recovery since swabbing began on zone - 1007 bbls	
				Time Summary
				Activity Daily Cum.
				1. Mob/DeMob 7.5
				2. Cement 2.5
				3. Circulate 17.5
				4. Directional Work
				5. Drilling
				6. Drive Pipe
				7. Fishing 34
				8. OH Logging 22
				9. Lost Circ.
				10. Drill Cmt./LOT
				11. N.U./N.D. 6
				12. P.U./L.D. BHA 1
				13. P.U./L.D. Pipe 22.5
				14. R/U; R/D 14.5
				15. Rig Repair 26.75
				16. Run Casing 11.5
				17. Service Rig
				18. Sidetrack Op.
				19. Stuck Pipe
				20. Survey
				21. Trips 61.5
				22. Tst. BOPs 2
				23. UR/HO
				24. W.O.W.
				25. Wash & Ream
				26. Well Control
				27. WOC
				28. Other 314.25
				Total 543.5
Total Hours				
Rig Downtime		Fuel Usage		Bulk Material on Board
Daily	Daily	Gals	Cement:	Previous Cost \$651,539
Cum.	Cum.	Gals	Barite:	Daily Cost \$120
				Cum. Cost \$651,659

MSC Exploration Daily Completion Report

T215 R19E S24
43-019-31409

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Leed #692		DOL 86	DFS 86	Date on Location 3/22/2005	Completion Date Mar 22, 2005	Report Date Jun 16, 2005
MD 5268'	TVD 5268'	Footage PSTD	AFE No.	AFE Amount	Auth. TD. 8,224'	Company Representative Jim Lander				
Present Operation Pumping to 2nd tank				Rig Phone: 435-285-2336			Toolpusher Nat Guerrero			
Rig Fax:										

Current Weather	BLM Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS
Wind: <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No	LC50 Sample Date	Operator		RKB 15 ft
Seas: <input checked="" type="checkbox"/> Problem? <input checked="" type="checkbox"/> Yes			Contractor	Next BOP Test Date	Water Depth ft
Sky: <input checked="" type="checkbox"/> No	Pass? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Service		RKB-CHF ft

CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD	TVD	Liner Top MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	16"		LP		1	37'	37'			Air			
Surface	9 5/8"	32.3	H40	STC	12	534'	534'			Air			
Inmediate/Production	7"	26	L80	LTC	156	6,839'	6,839'			8.8			
Inmediate/Production	7"	23	P110	LTC	14	7,455'	7,455'			8.8			
Production Liner	5"	18	P110	FJ	19	8224'	8224'	7,381'	7,381'	8.7			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade Tooth	Bearing	Gage
Bit Remarks:					Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque				
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV	Speed	SPM	Slow Pump Pressures		
								DC	DP	1/4	Pump #1	Pump #2	Pump #3
1										1/2			
2										3/4			

BHA

Length:	Description:

MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer									
PIT					#1	#2	Desand	Cent.								
					#3	#4	Desilt	Mud Cl	Daily Cost							
																Cumulative Cost \$9,622

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

TIME		Time Code	Boats:	Supply Boat Name:	Status:
FROM	TO				
0600	0600	24.0		Crew Boat Name:	Status:
			Pumping unit pumping to tanks. Recovered 46 bbls of water. No trace of oil.		
				Time Summary	
				Activity	Cum.
				1. Mob/DeMob	7.5
				2. Cement	2.5
				3. Circulate	17.5
				4. Directional Work	
				5. Drilling	
				6. Drive Pipe	
				7. Fishing	34
				8. OH Logging	22
				9. Lost Circ.	
				10. Drill Cmt./LOT	
				11. N.U./N.D.	6
				12. P.U./L.D. BHA	1
				13. P.U./L.D. Pipe	22.5
				14. R/U; R/D	14.5
				15. Rig Repair	26.75
				16. Run Casing	11.5
				17. Service Rig	
				18. Sidetrack Op.	
				19. Stuck Pipe	
				20. Survey	
				21. Trips	61.5
				22. Tst. BOPs	2
				23. UR/HO	
				24. W.O.W.	
				25. Wash & Ream	
				26. Well Control	
				27. WOC	
				28. Other	314.25
				Total	543.5
Total Hours	24.0				
Rig Downtime		Fuel Usage	Bulk Material on Board	Previous Cost	\$651,659
Daily	Daily	Gals	Cement: sx	Daily Cost	\$120
Cum.	Cum.	831 Gals	Barite: sx	Cum. Cost	\$651,779



MSC Exploration Daily Completion Report

T215 R19E-S26
43-019-31409

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Lead #692		DOI 87		DFS 87		Date on Location 3/22/2005		Completion Date Mar 22, 2005		Report Date Jun 17, 2005	
MD 5268'		TVD 5268'		Footage PBDT		AFE No.		AFE Amount		Auth. TD. 8,224'		Company Representative Jim Lander			
Present Operation Pumping to tank #2						Rig Phone: 435-285-2336						Toolpusher Nat Guerrero			
Rig Fax:															

Current Weather		BLM Visit		NPDES		People on Loc.:		Last BOP Test Date		RIG ELEVATIONS			
Wind:		<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No		LC50 Sample Date		Operator				RKB		15 ft	
Seas:		Problem? <input checked="" type="checkbox"/> Yes				Contractor		Next BOP Test Date		Water Depth			
Sky:		<input checked="" type="checkbox"/> No		Pass? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Service				RKB-CHF		ft	

CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD	TVD	Liner Top MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	16"		LP		1	37'	37'			Air			
Surface	9 5/8"	32.3	H40	STC	12	534'	534'			Air			
Intermediate/Production	7"	26	L80	LTC	156	6,839'	6,839'			8.8			
Intermediate/Production	7"	23	P110	LTC	14	7,455'	7,455'			8.8			
Production Liner	5"	18	P110	FJ	19	8224'	8224'	7,381'	7,381'	8.7			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No		Size		Bit Type and Manufacturer		Serial Number		Jets		Depth In		Total Footage		Hrs		WOB		Rpm		Avg ROP		Grade Tooth Bearing Gage		
Bit Remarks:										Cum. ROT. Hrs		PU Wt		SO Wt		ROT Wt		Torque						
Pump No.		Stroke X Liner		Output gps		SPM		GPM		Pressure		JV		Pb		AV		Speed		SPM		Slow Pump Pressures Pump #1 Pump #2 Pump #3		
																DC DP		1/4						
1																		1/2						
2																		3/4						

BHA

Length:		Description:	

MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf	
PIT																	
Chlorides		Ca++		Smpl Temp		F.L. Temp		Shaker Screens		Hours		Mud Engineer				Mud Company	
PIT								#1	#2	Desand	Cent.						
								#3	#4	Desilt	Mud Cl	Daily Cost				Cumulative Cost	
																\$9,622	

DIRECTIONAL SURVEYS

MD		TVD		ANGLE		Direction		Coordinates		VS		DL		CLOSURE	

OPERATIONS SUMMARY

TIME FROM TO		HOUR		Time Code		Boats:		Supply Boat Name:		Status:							
						Crew Boat Name:				Status:							
0600		0600				Pumping unit pumping to tanks. Recovered 40 bbls of water. No trace of oil.						Time Summary					
												Activity		Daily		Cum.	
												1. Mob/DeMob				7.5	
												2. Cement				2.5	
												3. Circulate				17.5	
												4. Directional Work					
												5. Drilling					
												6. Drive Pipe					
												7. Fishing				34	
												8. OH Logging				22	
												9. Lost Circ.					
												10. Drill Cmt./LOT					
												11. N.U./N.D.				6	
												12. P.U./L.D. BHA				1	
												13. P.U./L.D. Pipe				22.5	
												14. R/U; R/D				14.5	
												15. Rig Repair				26.75	
												16. Run Casing				11.5	
												17. Service Rig					
												18. Sidetrack Op.					
												19. Stuck Pipe					
												20. Survey					
												21. Trips				61.5	
												22. Tst. BOPs				2	
												23. UR/HO					
												24. W.O.W.					
												25. Wash & Ream					
												26. Well Control					
												27. WOC					
												28. Other				314.25	
												Total				543.5	
Total Hours																	
Rig Downtime				Fuel Usage		Bulk Material on Board		Previous Cost		\$651,779							
Daily		Daily		Gals		Cement:		sx		Daily Cost		\$120					
Cum.		Cum.		831		Gals		Barite:		sx		Cum. Cost		\$651,899			



MSC Exploration Daily Completion Report

T21S R19E S26
43-019-31409

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Lead #892		DOL 88	DFS 88	Date on Location 3/22/2005	Completion Date Mar 22, 2005	Report Date Jun 18, 2005
MD 5268'	TVD 5268'	Footage PBD	AFE No.	AFE Amount		Auth. TD. 8,224'		Company Representative Jim Lander		
Present Operation Pumping to tank				Rig Phone: Rig Fax:		435-285-2336		Toolpusher Nat Guerrero		

Current Weather	BLM Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS
Wind:	<input type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator		RKB 15 ft
Seas:	Problem? <input type="checkbox"/> Yes		Contractor	Next BOP Test Date	Water Depth ft
Sky:	<input type="checkbox"/> No	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service		RKB-CHF ft

CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD TVD	Liner Top MD TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	16"		LP		1	37' 37'		Air			
Surface	9 5/8"	32.3	H40	STC	12	534' 534'		Air			
Intermediate/Production	7"	26	L80	LTC	156	6,839' 6,839'		8.8			
Intermediate/Production	7"	23	P110	LTC	14	7,455' 7,455'		8.8			
Production Liner	5"	18	P110	FJ	19	8224' 8224'	7,381' 7,381'	8.7			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade Tooth Bearing Gage							
Bit Remarks:														Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV	Speed	SPM	Slow Pump Pressures Pump #1 Pump #2 Pump #3							
1								DC DP	1/4									
2									1/2									
									3/4									

BHA

Length:	Description:

MUD DATA

WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT															
Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours	Mud Engineer	Mud Company						
PIT					#1	#2	Desand	Cent.							
					#3	#4	Desilt	Mud Cl	Daily Cost	Cumulative Cost					
										\$9,622					

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

TIME		Time Code	Boats:	Supply Boat Name:	Status:
FROM	TO				
0600	0600				
			Pumping unit pumping to tanks. Recovered 36 bbls of water. No trace of oil.		Time Summary Activity Daily Cum.
					1. Mob/DeMob 7.5
					2. Cement 2.5
					3. Circulate 17.5
					4. Directional Work
					5. Drilling
					6. Drive Pipe
					7. Fishing 34
					8. OH Logging 22
					9. Lost Circ.
					10. Drill Cmt./LOT
					11. N.U./N.D. 6
					12. P.U./L.D. BHA 1
					13. P.U./L.D. Pipe 22.5
					14. R/U; R/D 14.5
					15. Rig Repair 26.75
					16. Run Casing 11.5
					17. Service Rig
					18. Sidetrack Op.
					19. Stuck Pipe
					20. Survey
					21. Trips 61.5
					22. Tst. BOPs 2
					23. UR/HO
					24. W.O.W.
					25. Wash & Ream
					26. Well Control
					27. WOC
					28. Other 314.25
					Total 543.5
Total Hours					
Rig Downtime		Fuel Usage	Bulk Material on Board		Previous Cost \$651,899
Daily	Daily	Gals	Cement:	sx	Daily Cost \$2,440
Cum.	Cum.	831 Gals	Barite:	sx	Cum. Cost \$654,339



T215 R19E S-26
43-019-31409

Current Weather	BLM Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS
Wind:	<input type="checkbox"/> Yes <input type="checkbox"/> No	<u>LC50 Sample Date</u>	Operator		RKB 15 ft
Seas:	Problem? <input type="checkbox"/> Yes		Contractor	Next BOP Test Date	Water Depth ft
Skv:	<input type="checkbox"/> No <input type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service		RKB-CHF ft

[illegible]

BIT, WEIGHT, SPEED AND HYDRAULIC RECORD														
BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
Bit Remarks:					Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque					
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP	1/4		Pump #1	Pump #2	Pump #3
1										1/2				
2										3/4				

BRA	
Length:	Description:

MUD DATA																
	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer			Mud Company			
PIT						#1	#2	Desand	Cent.							
						#3	#4	Desilt	Mud Cl	Daily Cost			Cumulative Cost			
													\$9,622			

[illegible]

OPERATIONS SUMMARY				TIME		Boats:	Supply Boat Name:	Status:
FROM	TO	HOUR	Time Code	Crew Boat Name:		Status:		
0600	0600			Pumping unit pumping to tanks. Recovered 38 bbls of water. No trace of oil.				<div>Time Summary</div> <div> <div>Activity</div> <div>Daily</div> <div>Cum.</div> </div>
								1. Mob/DeMob 7.5
								2. Cement 2.5
								3. Circulate 17.5
								4. Directional Work
				Total recovery since swabbing began on zone - 1167 bbls				5. Drilling
								6. Drive Pipe
								7. Fishing 34
								8. OH Logging 22
								9. Lost Circ.
								10. Drill Cmt./LOT
								11. N.U./N.D. 6
								12. P.U./L.D. BHA 1
								13. P.U./L.D. Pipe 22.5
								14. R/U; R/D 14.5
								15. Rig Repair 26.75
								16. Run Casing 11.5
								17. Service Rig
								18. Sidetrack Op.
								19. Stuck Pipe
								20. Survey
								21. Trips 61.5
								22. Tst. BOPs 2
								23. UR/HO
								24. W.O.W.
								25. Wash & Ream
								26. Well Control
								27. WOC
								28. Other 314.2
								Total 543.5
Total Hours								
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost \$654,339		
Daily		Daily	Gals	Cement:	sx	Daily Cost	\$120	
Cum.		Cum.	831 Gals	Barite:	sx	Cum. Cost	\$654,459	



T219 R19E S44
43-019-31409

Current Weather	BLM Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS
Wind:	<input type="checkbox"/> Yes <input type="checkbox"/> No	<u>LC50 Sample Date</u>	Operator		RKB 15 ft
Seas:	Problem? <input type="checkbox"/> Yes		Contractor	<u>Next BOP Test Date</u>	Water Depth ft
Sky:	<input type="checkbox"/> No Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service		RKB-CHF ft

[illegible]

BIT, WEIGHT, SPEED AND PRODUCTION RECORD														
BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
Bit Remarks:					Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque					
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP			Pump #1	Pump #2	Pump #3
1										1/2				
2										3/4				

DNA	
Length:	Description:

[illegible][illegible]

TIME		HOUR	Time Code	Boats:	Supply Boat Name:	Status:
FROM	TO					
0600	0600			Pumping unit pumping to tanks. Recovered 38 bbls of water. No trace of oil.		<div>Time Summary</div> <div> <div>Activity</div> <div>Daily</div> <div>Cum.</div> </div>
						1. Mob/DeMob 7.5
						2. Cement 2.5
						3. Circulate 17.5
						4. Directional Work
				Total recovery since swabbing began on zone - 1205 bbls		5. Drilling
						6. Drive Pipe
						7. Fishing 34
						8. OH Logging 22
						9. Lost Circ.
						10. Drill Cmt./LOT
						11. N.U./N.D. 6
						12. P.U./L.D. BHA 1
						13. P.U./L.D. Pipe 22.5
						14. R/U; R/D 14.5
						15. Rig Repair 26.75
						16. Run Casing 11.5
						17. Service Rig
						18. Sidetrack Op.
						19. Stuck Pipe
						20. Survey
						21. Trips 61.5
						22. Tst. BOPs 2
						23. UR/HO
						24. W.O.W.
						25. Wash & Ream
						26. Well Control
						27. WOC
						28. Other 314.25
						Total 543.5
Total Hours						
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost \$654,459
Daily		Daily	Gals	Cement:	sx	Daily Cost \$120
Cum.		Cum.	831 Gals	Barite:	sx	Cum. Cost \$654,579



MSC Exploration Daily Completion Report

T2/3R19ES-26
43-019-31409

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Leed #692		DOL 92	DFS 92	Date on Location 3/22/2005	Completion Date Mar 22, 2005	Report Date Jun 22, 2005
MD 5268'	TVD 5268'	Footage PBDT	AFE No.	AFE Amount		Auth. TD. 8,224'		Company Representative Jim Lander		
Present Operation Pumping to tank #2				Rig Phone: Rig Fax:		435-285-2336		Toolpusher Nat Guerrero		

Current Weather	BLM Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS
Wind:	<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No	LC50 Sample Date	Operator		RKB 15 ft
Seas:	Problem? <input checked="" type="checkbox"/> Yes		Contractor	Next BOP Test Date	Water Depth ft
Sky:	<input checked="" type="checkbox"/> No	Pass? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Service		RKB-CHF ft

CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD TVD	Liner Top MD TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	16"		LP		1	37' 37'		Air			
Surface	9 5/8"	32.3	H40	STC	12	534' 534'		Air			
Intermediate/Production	7"	26	L80	LTC	156	6,839' 6,839'		8.8			
Intermediate/Production	7"	23	P110	LTC	14	7,455' 7,455'		8.8			
Production Liner	5"	18	P110	FJ	19	8224' 8224'	7,381' 7,381'	8.7			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade Tooth Bearing Gage		
Bit Remarks:					Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque				
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV DC DP	Speed 1/4 1/2 3/4	SPM	Slow Pump Pressures Pump #1 Pump #2 Pump #3		
1													
2													

BHA

Length:	Description:

MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer		Mud Company							
PIT					#1 #2 Desand Cent.											
					#3 #4 Desilt Mud Cl	Daily Cost			Cumulative Cost							
									\$9,622							

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

TIME		Time Code	Boats:	Supply Boat Name:	Status:
FROM	TO				
0600	0600				
			Pumping unit pumping to tanks. Recovered 34 bbls of water. No trace of oil.	Time Summary	
				Activity	Daily Cum.
				1. Mob/DeMob	7.5
				2. Cement	2.5
				3. Circulate	17.5
				4. Directional Work	
				5. Drilling	
				6. Drive Pipe	
				7. Fishing	34
				8. OH Logging	22
				9. Lost Circ.	
				10. Drill Cmt./LOT	
				11. N.U./N.D.	6
				12. P.U./L.D. BHA	1
				13. P.U./L.D. Pipe	22.5
				14. R/U; R/D	14.5
				15. Rig Repair	26.75
				16. Run Casing	11.5
				17. Service Rig	
				18. Sidetrack Op.	
				19. Stuck Pipe	
				20. Survey	
				21. Trips	61.5
				22. Tst. BOPs	2
				23. UR/HO	
				24. W.O.W.	
				25. Wash & Ream	
				26. Well Control	
				27. WOC	
				28. Other	314.25
				Total	543.5
Total Hours					
Rig Downtime		Fuel Usage	Bulk Material on Board	Previous Cost	\$654,699
Daily	Daily	Gals	Cement: sx	Daily Cost	\$120
Cum.	Cum.	831 Gals	Barite: sx	Cum. Cost	\$654,819

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Leed #692	DOL 95	DFS 95	Date on Location 3/22/2005	Completion Date Mar 22, 2005	Report Date Jun 25, 2005
MD 5268'	TVD 5268'	Footage PBSD	AFE No.	AFE Amount	Auth. TD. 8,224'		Company Representative Jim Lander		
Present Operation Pumping to tank #2				Rig Phone: Rig Fax:	435-285-2336		Toolpusher: Nat Guerrero		

Current Weather	BLM Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS				
Wind:	<input type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator		RKB 15 ft				
Seas:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No		Contractor	Next BOP Test Date	Water Depth ft				
Sky:	<input type="checkbox"/> No <input type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service		RKB-CHF ft				

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth		Liner Top		MW when Run	Pres	LOT	Leakoff?
						MD	TVD	MD	TVD			EMW	
Conductor	16"		LP		1	37'	37'			Air			
Surface	9 5/8"	32.3	H40	STC	12	534'	534'			Air			
Intermediate/Production	7"	26	L80	LTC	156	6,839'	6,839'			8.8			
Intermediate/Production	7"	23	P110	LTC	14	7,455'	7,455'			8.8			
Production Liner	5"	18	P110	FJ	19	8224'	8224'	7,381'	7,381'	8.7			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD														
BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
Bit Remarks:					Cum. ROT Hrs	PU Wt	SO Wt	ROT Wt	Torque					
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP			Pump #1	Pump #2	Pump #3
1										1/4				
2										1/2				
										3/4				

BHA	
Length:	Description:

MUD DATA																
	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours	Mud Engineer					Mud Company		
PIT						#1	#2	Desand	Cent.							
						#3	#4	Desilt	Mud Cl	Daily Cost		Cumulative Cost				
												\$9,622				

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY									
TIME		HOUR	Time Code	Boats:	Supply Boat Name: _____ Crew Boat Name: _____	Status: _____ Status: _____			
FROM	TO					Activity	Daily	Cum.	
0600	0600			Pumping unit pumping to tanks. Recovered 37 bbls of water. No trace of oil.					

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Leed #692	DOL 96	DFS 96	Date on Location 3/22/2005	Completion Date Mar 22, 2005	Report Date Jun 26, 2005
MD 5268'	TVD 5268'	Footage PBSD	AFE No.	AFE Amount	Auth. TD. 8,224'	Company Representative Jim Lander			
Present Operation Pumping to tank #2				Rig Phone: 435-285-2336	Toolpusher Nat Guerrero				

Current Weather	BLM Visit <input type="checkbox"/> Yes <input type="checkbox"/> No	NPDES LC50 Sample Date	People on Loc.: Operator	Last BOP Test Date	RIG ELEVATIONS RKB 15 ft
Wind:	Problem? <input type="checkbox"/> Yes		Contractor	Next BOP Test Date	Water Depth ft
Seas:	<input type="checkbox"/> No	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service		RKB-CHF ft
Sky:					

CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD	TVD	Liner Top MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	16"		LP		1	37'	37'			Air			
Surface	9 5/8"	32.3	H40	STC	12	534'	534'			Air			
Intermediate/Production	7"	26	L80	LTC	156	6,839'	6,839'			8.8			
Intermediate/Production	7"	23	P110	LTC	14	7,455'	7,455'			8.8			
Production Liner	5"	18	P110	FJ	19	8224'	8224'	7,381'	7,381'	8.7			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade Tooth Bearing Gage
Bit Remarks:				Cum. ROT. Hrs		PU Wt	SO Wt	ROT Wt	Torque		
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV DC DP	Speed 1/4	SPM	Slow Pump Pressures Pump #1 Pump #2 Pump #3
1									1/2		
2									3/4		

BHA

Length:	Description:

MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer									
PIT					#1 #2 Desand Cent.											
					#3 #4 Desilt Mud Cl	Daily Cost										
																\$9,622

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

TIME		HOUR	Time Code	Boats: Supply Boat Name: Crew Boat Name:	Status: Status:	Time Summary		
FROM	TO					Activity	Daily	Cum.
0600	0600			Pumping unit pumping to tanks. Recovered 42 bbls of water. No trace of oil.		1. Mob/DeMob		7.5
						2. Cement		2.5
						3. Circulate		17.5
						4. Directional Work		
						5. Drilling		
						6. Drive Pipe		
						7. Fishing		34
						8. OH Logging		22
						9. Lost Circ.		
						10. Drill Cmt./LOT		
						11. N.U./N.D.		6
						12. P.U./L.D. BHA		1
						13. P.U./L.D. Pipe		22.5
						14. R/U; R/D		14.5
						15. Rig Repair		26.75
						16. Run Casing		11.5
						17. Service Rig		
						18. Sidetrack Op.		
						19. Stuck Pipe		
						20. Survey		
						21. Trips		61.5
						22. Tst. BOPs		2
						23. UR/HO		
						24. W.O.W.		
						25. Wash & Ream		
						26. Well Control		
						27. WOC		
						28. Other		314.25
						Total		543.5
Total Hours								
Rig Downtime								
Daily				Fuel Usage	Bulk Material on Board	Previous Cost	\$655,179	
Cum.				Gals	Cement: sx	Daily Cost	\$120	
				831 Gals	Barite: sx	Cum. Cost	\$655,299	

Block, Lease and Well No. E. Crested Junction - Federal MSC #26-1				Contract Rig Leed #692		DOL 97	DFS 97	Date on Location 3/22/2005	Completion Date Mar 22, 2005	Report Date Jun 27, 2005
MD 5268'	TVD 5268'	Footage PBDT	AFE No.	AFE Amount	Auth. TD. 8,224'	Company Representative Jim Lander				
Present Operation Pump to tank #2				Rig Phone: 435-285-2336		Toolpusher Nat Guerrero				
				Rig Fax:						

Current Weather	BLM Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS
Wind:	<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No	LC50 Sample Date	Operator		RKB 15 ft
Seas:	Problem? <input checked="" type="checkbox"/> Yes		Contractor	Next BOP Test Date	Water Depth ft
Sky:	<input checked="" type="checkbox"/> No Pass? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Service		RKB-CHF ft

CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD	TVD	Liner Top MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	16"		LP		1	37'	37'			Air			
Surface	9 5/8"	32.3	H40	STC	12	534'	534'			Air			
Intermediate/Production	7"	26	L80	LTC	156	6,839'	6,839'			8.8			
Intermediate/Production	7"	23	P110	LTC	14	7,455'	7,455'			8.8			
Production Liner	5"	18	P110	FJ	19	8224'	8224'	7,381'	7,381'	8.7			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade Tooth	Bearing	Gage
Bit Remarks:													
				Cum. ROT. Hrs		PU Wt		SO Wt		ROT Wt		Torque	
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV DC	DP	Speed	SPM	Slow Pump Pressures Pump #1 Pump #2 Pump #3	
1										1/4			
2										3/4			

BHA

Length:	Description:

MUD DATA

WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT															
Chlorides Ca++ Smp Temp F.L. Temp Shaker Screens Hours Mud Engineer Mud Company															
PIT															
										#3 #4 Desilt Mud CI	Daily Cost	Cumulative Cost \$9,622			

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

TIME		Time Code	Boats:	Supply Boat Name:	Status:
FROM	TO				
0600	0600				
			Crew Boat Name:		Status:
			Pumping unit pumping to tanks. Recovered 42 bbls of water. No trace of oil.		
			Total recovery since swabbing began on zone - 1470 bbls		
			<div style="text-align: center;"> RECEIVED AUG 15 2005 DIV. OF OIL, GAS & MINING </div>		
			Time Summary Activity Daily Cum. 1. Mob/DeMob 7.5 2. Cement 2.5 3. Circulate 17.5 4. Directional Work 5. Drilling 6. Drive Pipe 7. Fishing 34 8. OH Logging 22 9. Lost Circ. 10. Drill Cmt./LOT 11. N.U./N.D. 6 12. P.U./L.D. BHA 1 13. P.U./L.D. Pipe 22.5 14. R/U; R/D 14.5 15. Rig Repair 26.75 16. Run Casing 11.5 17. Service Rig 18. Sidetrack Op. 19. Stuck Pipe 20. Survey 21. Trips 61.5 22. Tst. BOPs 2 23. UR/HO 24. W.O.W. 25. Wash & Ream 26. Well Control 27. WOC 28. Other 314.25 Total 543.5		
Total Hours					
Rig Downtime		Fuel Usage		Bulk Material on Board	
Daily		Daily	Gals	Cement:	Previous Cost \$655,299
Cum		Cum.	831 Gals	Barite:	Daily Cost \$120
					Cum. Cost \$655,419

MSC EXPLORATION, L.P.
16800 IMPERIAL VALLEY DR., SUITE 380
HOUSTON, TEXAS 77060
PHONE: 281-931-8933 FAX: 281-931-8655

FACSIMILE TRANSMITTAL SHEET

TO:	FROM:
<u>Mike Heberson</u>	<u>Lynn Faust</u>
COMPANY:	DATE:
FAX NUMBER:	TOTAL NO. OF PAGES INCLUDING COVER:
PHONE NUMBER:	SENDER'S REFERENCE NUMBER:
RE:	YOUR REFERENCE NUMBER:

RECEIVED
DEC 19 2005
DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL

AMENDED REPORT ☐ FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ DRY ☐ OTHER ☐

2. TYPE OF WORK: NEW WELL ☒ HORIZ. LAYS. ☐ DEEP-EN ☐ RE-ENTRY ☐ DIFF. RESVIR. ☐ OTHER ☐

3. NAME OF OPERATOR: MSC Exploration LP

4. ADDRESS OF OPERATOR: 16800 Imperial Valley Dr. Ste 380 Houston TX 77060 PHONE NUMBER: 281-931-8533

5. LOCATION OF WELL (FOOTAGES):
AT SURFACE: 2240 FSL + 1340 FWL
AT TOP PRODUCING INTERVAL REPORTED BELOW:
AT TOTAL DEPTH:

6. LEASE DESIGNATION AND SERIAL NUMBER: UTU-79787

7. IF INDIAN ALLOTTEE OR TRIBE NAME: N/A

8. UNIT OF SA AGREEMENT NAME: N/A

9. WELL NAME AND NUMBER: MSC Federal 24-1

10. API NUMBER: 43-019-31402

11. FIELD AND POOL, OR WILDCAT, MERIDIAN: W: Id. cont.

12. COUNTY: Grand 13. STATE: UTAH

14. DATE SPUNDED: 11/7/04 15. DATE T.D. REACHED: 12/16/04 16. DATE COMPLETED: 6-22-05 ABANDONED ☐ READY TO PRODUCE ☐

17. ELEVATIONS (DF, R40, RT, GL): 15'

18. TOTAL DEPTH MD: 8224 TVD: 8224 19. PLUG BACK T.D.: MD: 5248 TVD: 5248 20. IF MULTIPLE COMPLECTIONS, HOW MANY? 4

21. DEPTH BRIDGE MD: 5248 TVD: 5248

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each):
DLI, SO/DSN, CN, SONIC, CBL, MUD
Already Submitted

23. WAS WELL CORED? NO ☒ YES ☐ (Submit analysis)
WAS DST RUN? NO ☐ YES ☒ (Submit report)
DIRECTIONAL SURVEY? NO ☒ YES ☐ (Submit survey)

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (W/L)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BB)	CEMENT TOP	AMOUNT PULLED
17 1/2	16	LP	Surf.			Gr.			
17 3/8	9 5/8 H40	32.3	Surf.	534		CIG 400		Surf.	
13 3/4	7 L80	26.0	Surf.	6939	4203	P2 300		Surf.	
10 1/2	P110	23.0	6939	7435		PL2 670		4203	
	5 P110	18.0	7381	8224		SCS-7 120		7180	

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 7/8	4620	-						

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)
(A)				
(B)				
(C)				
(D)				

27. PERFORATION RECORD

INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
6440-52	4	39	Open <input type="checkbox"/> Squared <input checked="" type="checkbox"/>
5030-48 5600-49	4	135	Open <input type="checkbox"/> Squared <input checked="" type="checkbox"/>
5700-52 5700-51	4		Open <input type="checkbox"/> Squared <input checked="" type="checkbox"/>
5544-70 5600-48	4	111	Open <input type="checkbox"/> Squared <input checked="" type="checkbox"/>

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL: 5328-5795 AMOUNT AND TYPE OF MATERIAL: CIG 100 SLS

29. ENCLOSED ATTACHMENTS:

☐ ELECTRICAL/MECHANICAL LOGS ☐ GEOLOGIC REPORT ☐ DST REPORT ☐ DIRECTIONAL SURVEY

☐ GUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION ☐ CORE ANALYSIS ☐ OTHER: Shut-in

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DEC 19 2005

DIV. OF OIL, GAS & MINING

(5/2000)

(CONTINUED ON BACK)

Dec 19 05 02:20p MSC Exploration LP 2819318655 p.3

Oct 12 05 04:46p MSC Exploration LP 2819318655 p.5

31. INITIAL PRODUCTION

INTERVAL A (As shown in Item #26)

21. INITIAL PRODUCTION										
DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:

INTERVAL B (As shown in Item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TDB. PRESS.	CSG PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:

INTERVAL C (As shown in Item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: --	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKER SIZE:	TDB. PRESS:	CSG. PRESS:	API GRAVITY:	BTU - GAS:	GAS/OIL RATIO:	24 HR PRODUCTION RATES: --	OIL - BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:

INTERVAL D (As shown in Item #26)

DATE FIRST PRODUCED.		TEST DATE.		HOURS TESTED		TEST PRODUCTION RATES: →		OIL - BBL:		GAS - MCF:		WATER - BBL:		PROD. METHOD.							
CHOKE SIZE.		TDB. PRESS.		CSG. PRESS.		API GRAVITY		BTU - GAS		GAS/OIL RATIO		24 HR PRODUCTION RATES: →		OIL - BBL:		GAS - MCF:		WATER - BBL:		INTERVAL STATUS.	

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof. Cased intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

Formation	Top (WC)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)

34. FORMATION (Log) MARKERS:

35. ADDITIONAL REMARKS (Include plugging procedure)

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) Hyron Faust TITLE Admin.
 SIGNATURE [Signature] DATE 10-12-05

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation

- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top - Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Sent to: Utah Division of Oil, Gas and Mining
 1594 West North Temple, Suite 1210
 Box 145801
 Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

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DIV. OF OIL, GAS & MINING

(52200)

p. 7

2819318655

MSC Exploration LP

Oct 12 05 04:46p

p. 4

2819318655

MSC Exploration LP

Dec 19 05 02:21p

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER UTU-79787
2. NAME OF OPERATOR MSC Exploration, LP		6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A
3. ADDRESS OF OPERATOR 6800 Imperial Valley Dr. Houston TX 77060		7. UNIT or CO AGREEMENT NAME MSC Federal 26-1
4. LOCATION OF WELL FOOTAGES AT SURFACE: 240 ft. 2 line 1340 FWL		8. WELL NAME and NUMBER 43-019-31407
5. PHONE NUMBER 2819318933		9. API NUMBER 43-019-31407
6. COUNTY GRAND		10. FIELD AND POOL, OR WILDCAT Wild Cat
7. STATE UTAH		

CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

① Completion Rig Off 6/27/05

② Well Shut-in - no production

③ Perf Reading

6440-52	4	39
5630-48, 5658-64	4	135
5680-88, 5698-5702	4	
5544-70, 5602-084	111	

NAME (PLEASE PRINT): LYNN FAUST TITLE Admin

SIGNATURE: [Signature] DATE 12-17-05

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DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

Federal MSC 26-1

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____	5. LEASE DESIGNATION AND SERIAL NUMBER: UTU - 79787
2. NAME OF OPERATOR: MSC Exploration LP	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 16800 Imperial Valley Dr. Ste 380	7. UNIT or CA AGREEMENT NAME: N/A
4. LOCATION OF WELL Houston, TX 77060	8. WELL NAME and NUMBER: MSC FEDERAL 26-1
FOOTAGES AT SURFACE: 240 FSL + 1340 FWL	9. API NUMBER: 43-019-31402 31407
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: 26 21 S 19 E	10. FIELD AND POOL, OR WILDCAT: Wildcat
COUNTY: GRAND	STATE: UTAH

CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 7-15-06	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

5 wells will be done as a package by the same company. Start date will vary based on which wells are done at the beginning of the program.

NAME (PLEASE PRINT) Lynn Faust TITLE Admin
SIGNATURE [Signature] DATE 6-6-06

(This space for State use only)

A Sundry Notice detailing plugging plan shall be submitted and Approved by the Division prior to any work commencing

(5/2000)

(See Instructions on Reverse Side)

JUN 07 2006

[Signature]

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

ROUTING

1. DJJ
2. CDW

X - Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

2/12/2008

FROM: (Old Operator): N3000-Tidewater Oil & Gas Company, LLC 110 16th St, Suite 1200 Denver, CO 80202 Phone: 1 (303) 327-7134	TO: (New Operator): N3440-NAE, LLC 16800 Imperial Valley Dr, Suite 380 Houston, TX 77060 Phone: 1 (281) 931-8933
--	--

CA No.				Unit:			
WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE WELL STATUS
SEE ATTACHED LIST							

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 2/26/2008
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 2/22/2008
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 1/15/2008
- a. Is the new operator registered in the State of Utah: _____ Business Number: 6666480-0161
- b. If **NO**, the operator was contacted on: _____
- 5a. (R649-9-2)Waste Management Plan has been received on: IN PLACE
- 5b. Inspections of LA PA state/fee well sites complete on: ok
- 5c. Reports current for Production/Disposition & Sundries on: ok
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM not yet BIA
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: not yet
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 2/27/2008
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 2/27/2008
- Bond information entered in RBDMS on: 2/27/2008
- Fee/State wells attached to bond in RBDMS on: 2/27/2008
- Injection Projects to new operator in RBDMS on: n/a
- Receipt of Acceptance of Drilling Procedures for APD/New on: 2/27/2008

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: UTB000296
- Indian well(s) covered by Bond Number: n/a
- 3a. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number 8030575893
- 3b. The **FORMER** operator has requested a release of liability from their bond on: 2/22/2008
The Division sent response by letter on: n/a

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **NEW** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: n/a

COMMENTS:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

9. API NUMBER:

10. FIELD AND POOL, OR WILDCAT:

1. TYPE OF WELL

OIL WELL ☐

GAS WELL ☐

OTHER

2. NAME OF OPERATOR:

NAE, LLC

3. ADDRESS OF OPERATOR:

16800 Imperial Valley Dr.

CITY

Ste. 380 HOUSTON

STATE

TX

ZIP

77060

PHONE NUMBER:

(281) 931-8933

4. LOCATION OF WELL

FOOTAGES AT SURFACE:

COUNTY:

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☐

NOTICE OF INTENT

(Submit in Duplicate)

Approximate date work will start:

☐

SUBSEQUENT REPORT

(Submit Original Form Only)

Date of work completion:

☐

ACIDIZE

☐

ALTER CASING

☐

CASING REPAIR

☐

CHANGE TO PREVIOUS PLANS

☐

CHANGE TUBING

☐

CHANGE WELL NAME

☐

CHANGE WELL STATUS

☐

COMMINGLE PRODUCING FORMATIONS

☐

CONVERT WELL TYPE

☐

DEEPEN

☐

FRACTURE TREAT

☐

NEW CONSTRUCTION

☒

OPERATOR CHANGE

☐

PLUG AND ABANDON

☐

PLUG BACK

☐

PRODUCTION (START/RESUME)

☐

RECLAMATION OF WELL SITE

☐

RECOMPLETE - DIFFERENT FORMATION

☐

REPERFORATE CURRENT FORMATION

☐

SIDETRACK TO REPAIR WELL

☐

TEMPORARILY ABANDON

☐

TUBING REPAIR

☐

VENT OR FLARE

☐

WATER DISPOSAL

☐

WATER SHUT-OFF

☐

OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

NAE, LLC will be assuming all plugging and reclamation liabilities for the wells on the schedule attached hereto.

Effective Date: 2/12/08

Federal Bond Number: UTB000296

State Bond Number: 8030575893

Name: Tidewater Oil & Gas Company LLC. Address: 110 16th St., Ste 1200, Denver, CO 80202

Signature:

Title:

Date:

02/21/08

NAME (PLEASE PRINT)

MICHAEL CORWISH

TITLE

MANAGER NAE

SIGNATURE

DATE

2/13/08

(This space for State use only)

APPROVED 2/27/08

Earlene Russell

Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(5/2000)

(See Instructions on Reverse Side)

RECEIVED

FEB 22 2008

DIV. OF OIL, GAS & MINING

well_name	sec	twp	rng	api	entity	lease	well	stat
FEDERAL MSC 26-1	26	210S	190E	4301931407	14785	Federal	GW	S
FEDERAL 7-34-2122	07	210S	220E	4301931484		Federal	OW	APD
BLACK HAT FED 18-43-2224	18	220S	240E	4301931495		Federal	OW	APD
OLD SAGERS FED 13-32-2222	13	220S	220E	4301931497		Federal	OW	APD
STATE 1-32	32	210S	190E	4301931394	13598	State	OW	PA
STATE 21-19 (32-16D)	32	210S	190E	4301931399	13903	State	OW	TA
STATE MSC 16-1	16	210S	200E	4301931401	14166	State	OW	S
STATE MSC 35-1	35	210S	190E	4301931404	14259	State	GW	S
N THOMPSON 2-1	02	210S	200E	4301931412	14376	State	GW	OPS
TIDEWATER ST 23-5	23	210S	230E	4301931466	16258	State	OW	PA
TIDEWATER ST 23-2	23	210S	230E	4301931467		State	GW	APD
TIDEWATER ST 23-1	23	210S	230E	4301931468		State	GW	APD

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Request to Transfer Application or Permit to Drill

(This form should accompany a Sundry Notice, Form 9, requesting APD transfer)

Well name:	* Please see attached schedule *
API number:	
Location:	
Company that filed original application:	Tidewater oil + Gas Company
Date original permit was issued:	
Company that permit was issued to:	

Check one	Desired Action:
<input type="checkbox"/>	Transfer pending (unapproved) Application for Permit to Drill to new operator
<input type="checkbox"/>	The undersigned as owner with legal rights to drill on the property, hereby verifies that the information as submitted in the pending Application for Permit to Drill, remains valid and does not require revision. The new owner of the application accepts and agrees to the information and procedures as stated in the application.
<input checked="" type="checkbox"/>	Transfer approved Application for Permit to Drill to new operator
<input type="checkbox"/>	The undersigned as owner with legal rights to drill on the property as permitted, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.	Yes	No
If located on private land, has the ownership changed?		<input checked="" type="checkbox"/>
<input type="checkbox"/> If so, has the surface agreement been updated?		
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?		<input checked="" type="checkbox"/>
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?		<input checked="" type="checkbox"/>
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?		<input checked="" type="checkbox"/>
Has the approved source of water for drilling changed?		<input checked="" type="checkbox"/>
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?		<input checked="" type="checkbox"/>
Is bonding still in place, which covers this proposed well? Bond No. <u>8030575893</u>	<input checked="" type="checkbox"/>	

Any desired or necessary changes to either a pending or approved Application for Permit to Drill that is being transferred, should be filed on a Sundry Notice, Form 9, or amended Application for Permit to Drill, Form 3, as appropriate, with necessary supporting information as required.

Name (please print) Michael Cornish Title MANAGER
Signature [Signature] Date 2-26-08
Representing (company name) NAE, LLC

The person signing this form must have legal authority to represent the company or individual(s) to be listed as the new operator on the Application for Permit to Drill.

(3/2004)

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FEB 26 2008

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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3. ADDRESS OF OPERATOR: 110 16th Street, Suite 1220 Denver CO 80202		7. UNIT or CA AGREEMENT NAME: NA
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2240' FSL & 1340' FWL		8. WELL NAME and NUMBER: Federal MSC 26-1
5. PHONE NUMBER: (303) 327-7169		9. API NUMBER: 4301931407
6. COUNTY: Grand		10. FIELD AND POOL, OR WILDCAT: Wildcat

QTR/QTR. SECTION. TOWNSHIP. RANGE, MERIDIAN: **NESW 26 21S 19E**

STATE: **UTAH**

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 8/25/2008	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

While Professional Well Service Rig #1 is on the location checking the fluid level and obtaining a fluid sample, NAE proposes to P & A the well by setting a 100' Class 'G' cement plug (15.8 ppg, 1.15 cf/sx) across existing perforations from 4904'-4918'. Previous cement plug set from 5795' to 5268' covering perms from 5544'-5712' (set on April 24, 2005). NAE tagged the top of the existing cement plug at 5220' on 8/20/2008. Further, NAE intends to set a 100' surface plug in the 5-1/2" casing using Class 'G' cement mixed at 15.8 ppg and 1.25 cf/sx. NAE will then cut off the casing 3' BGL, install a dryhole marker, and prepare to reclaim the location.

NAE requests this Notice of Intent be approved as soon as possible, as NAE has a rig on location and would like to get the location reclaimed and reseeded by Fall of 2008.

COPY SENT TO OPERATOR

Date: 8.27.2008

Initials: KS

NAME (PLEASE PRINT) <u>Walter D. Lowry</u>	TITLE <u>Operations Manager</u>
SIGNATURE <u>[Signature]</u>	DATE <u>8/22/2008</u>

(This space for State use only)

Accepted by the
Utah Division of
Oil, Gas and Mining

Date: 8/25/08
By: [Signature]

Federal Approval Of This
Action Is Necessary

RECEIVED

AUG 25 2008

DIV. OF OIL, GAS & MINING

* Plug needed @ base of surface shoe (600' to 500')
and @ top of Jurassic section (2400' to 2300')

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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2. NAME OF OPERATOR: NAE, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA
3. ADDRESS OF OPERATOR: 110 16th Street, Suite 1220 CITY <u>Denver</u> STATE <u>CO</u> ZIP <u>80202</u>		7. UNIT or CA AGREEMENT NAME: NA
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QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 26 21S 19E		10. FIELD AND POOL, OR WILDCAT: Wildcat

COUNTY: **Grand**

STATE: **UTAH**

CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 10/9/2008	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input checked="" type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Notify Jack Johnson, Field Inspector for BLM, of intent to P&A well at 0800 hrs 8/25/08. Jack Johnson on location to witness P&A of well. SEE ATTACHED P&A SCHEMATIC. P&A PLUG #1 f/ 4823'-5217': Pump 40 bbl spacer. Pump 16 bbl (76 sx) Class 'G' neat cement mixed at 15.6 ppg with yield of 1.18 cf/sx. Top perf @ 4904'. DV tool at 4195'. WOC. TIH and tag TOC at 4823'. Pump 20 bbl water spacer and 80 bbl gelled water spacer @ 8.9 ppg. LD tubing to 2841'. P&A PLUG #2 across top of Jurassic formation @ 2775' f/ 2841'-2725': Pump 10 bbl spacer. Pump 4.5 bbls (21 sx) Class 'G' neat cement @ 15.6 ppg and 1.18 cf/sx. POOH to 2671'. Circ well w/ 110 bbls of gelled water (8.9 ppg). LD tubing to 584'. P&A PLUG #3 across the surface casing shoe at 584' f/ 585'-484'. Pump 4 bbls (18 sx) Class 'G' neat cement @ 15.6 ppg and 1.18 cf/sx. Displace with 2.5 bbls gelled water. LD tubing to 121'. P&A PLUG #4 (100' surface plug) f/ 121'-surface: Pump 4 bbls (20 sx) Class 'G' neat cement @ 15.6 ppg and 1.18 cf/sx. Take surface samples. Cement remained at surface. Cut off casing 3' BGL. Weld on dry hole marker. Release rig to Solaris State 21-19 #32-16D. The location was reclaimed by Cecil Guston out of Moab, Utah in late September, 2008 and inspected by Jack Johnson of the Moab BLM Office. The location was re-seeded with BLM recommended seed mixture by K-Sue Corp out of Moab, UT on Wednesday & Thursday, October 8-9, 2008. Waiting on BLM to inspect location and release MSC bond.

MSC requests this P&A and reclamation be signed off on as soon as possible in order for MSC to have its Federal Bond released. NAE will follow with appropriate paperwork for Change of Operator to accept the transference of the MSC Federal Bond to NAE, LLC.

NAME (PLEASE PRINT) <u>Walter D. Lowry</u>	TITLE <u>Manager of Operations and Engineering</u>
SIGNATURE 	DATE <u>10/14/2008</u>

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OCT 14 2008

(This space for State use only)

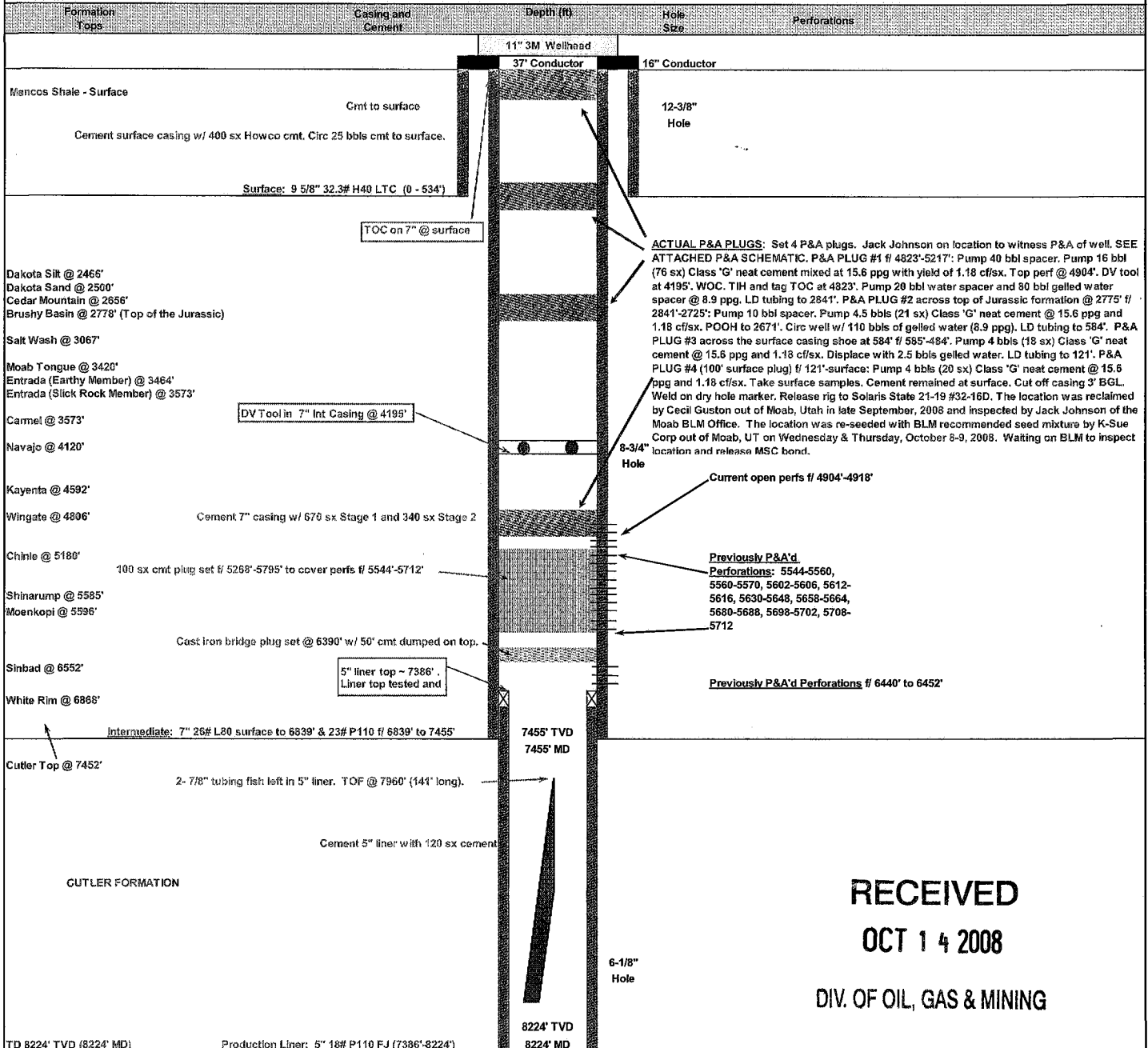
DIV. OF OIL, GAS & MINING

**Federal MSC 26-1
Actual P&A Schematic**

Well: Federal MSC 26-1
Well Type: Vertical Cutler Well
API Number: 43-019-31407
Surface Location: 2240' FSL & 1340' FWL
Bottom Hole Location: 2240' FSL & 1340' FWL
Total Depth: 8224'
Spud Date 0030 hrs 11/10/04
Author-Version-Date: W. Lowry - Version 1 - 26 August 2008



AFE Number: 611007
Field: Wildcat
Lease Number UTU-79787
Elevation (ft): 4916'
KB to GL (ft): 15'
RKB (ft): 4931' RKB
Objectives: P&A well & reclaim surface



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OCT 14 2008**

DIV. OF OIL, GAS & MINING

APPROVALS

Prepared By:

14 October 2008

Approved By:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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STATE: UTAH		

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	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER:
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The location was reclaimed by Cecil Guston out of Moab, Utah in late September, 2008 and inspected by Jack Johnson of the Moab BLM Office. The location was re-seeded with BLM recommended seed mixture by K-Sue Corp out of Moab, UT on Wednesday & Thursday, October 8-9, 2008. Waiting on BLM to inspect location and release MSC bond.

NAE, LLC and MSC Exploration request this P&A and reclamation be signed off on as soon as possible in order for MSC to have its Federal Bond released. However, since the BLM generally requires vegetation to be present prior to releasing the federal bond, pursuant to this Sundry Notice, both NAE and MSC request an official Change of Operator be accepted by the BLM. After the Change of Operator from MSC Exploration to NAE, LLC is accepted, NAE requests the responsibility of reclaiming the Federal MSC 26-1 be transferred to it and covered under NAE's federal bond. NAE and MSC would like to effectuate this change immediately and get MSC's bond released as soon as possible.

Phone calls or emails on this matter can either be sent to Lynn Faust at (281) 931-8933 or lfaust@mscexploration.com or Walter Lowry at (303) 884-5505 or wlowry@naexp.com.

NAME (PLEASE PRINT) Walter D. Lowry

TITLE Manager of Operations and Engineering

SIGNATURE 

DATE 10/14/2008

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OCT 20 2008

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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SIGNATURE	DATE <u>10/14/2008</u>

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OCT 20 2008

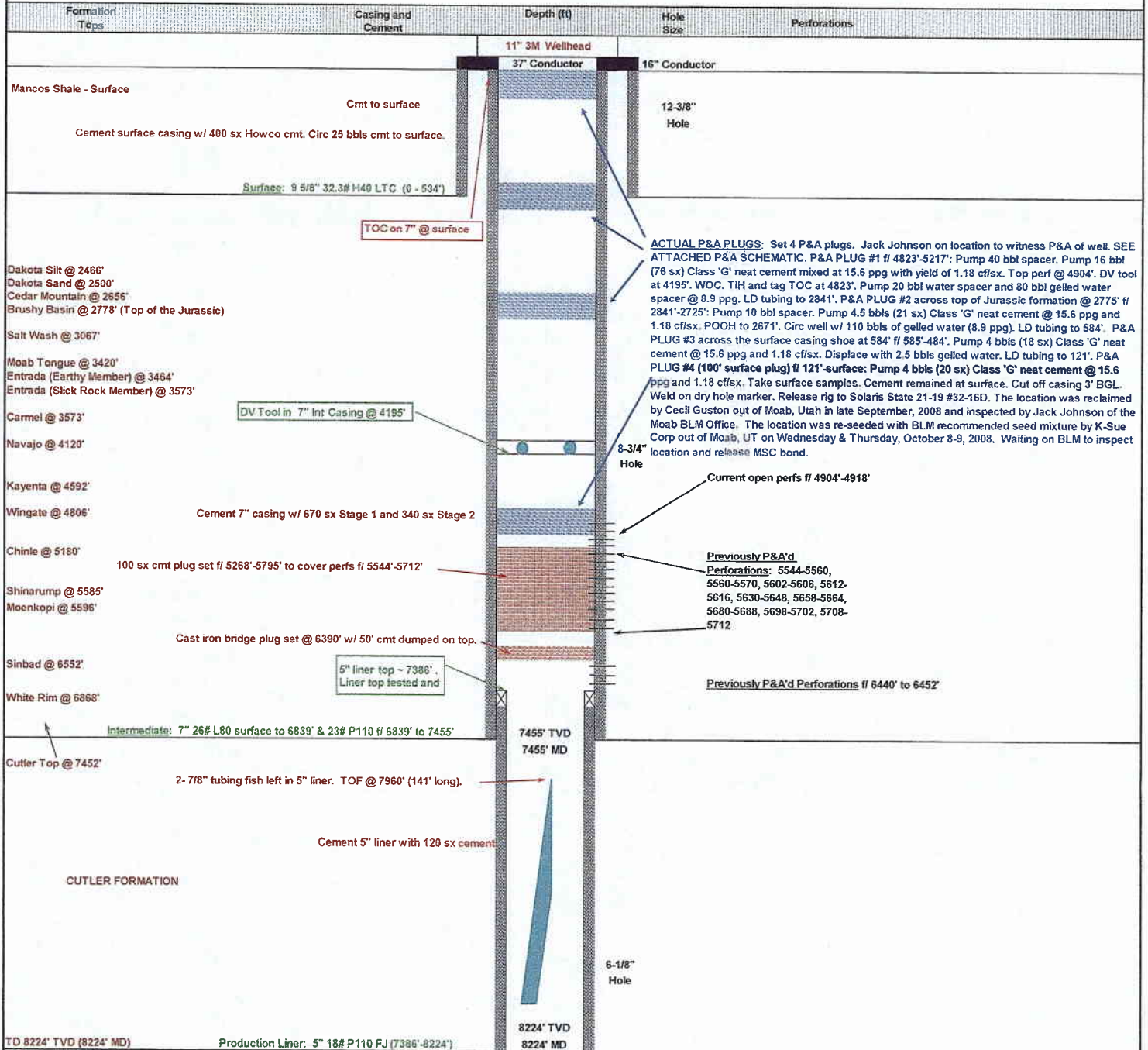
DIV. OF OIL, GAS & MINING

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Elevation (ft): 4916'
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Objectives: P&A well & reclaim surface



APPROVALS

Prepared By:

14 October 2008

Approved By: